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## J.S. Officials Assert CIA Directs Mining of Nicaraguan Ports

By Philip Taubman  
New York Times Service

WASHINGTON — Americans mining for the Central Intelligence Agency on a ship off Nicaragua's Pacific coast have been supercharging the mining of Nicaraguan ports in recent months, according to Reagan administration officials and members of Congress.

The sources say the mining operation marks the first time since the United States began supporting caribbean rebels three years ago that Americans have become directly involved in military operations against Nicaragua.

They said that actual placement of the mines inside Nicaraguan territorial waters is handled by an elite unit of Latin American commandos who use small, high-speed boats to penetrate shipping lanes close to shore.

Reagan administration officials used to comment Saturday on reports of the U.S. involvement, cited Press International report from Washington.

## Nicaragua Reports New Rebel Activity

Reuters

MANAGUA — A 500-member militia force of Misquito Indians splited by the United States has been reported to have been active in Honduras, a Nicaraguan government spokesman said.

The Indians, who are Nicaraguans, were equipped with mortars and rocket launchers provided by U.S. Central Intelligence Agency, said a Nicaraguan Interior Ministry official in Yelapa province.

Daniel Ortega Saavedra, the coordinator of the Nicaraguan junta, said about 8,000 Nicaraguans joined the force, the largest of its kind, to date from bases in Honduras and Costa Rica. Speaking on government-run Voice of San Francisco radio, Mr. Ortega said that caribbean troops were successful in battling guerrillas in four northern provinces and two southern ones.

He said the force was successful in battling guerrillas in four northern provinces and two southern ones.

## Japan Agrees to Increase Its Quotas on Beef, Citrus Products From U.S.

By Stuart Auerbach  
Washington Post Service

WASHINGTON — Japan has agreed to nearly double its import quotas for high-grade U.S. beef and citrus products during the next five years, according to U.S. trade officials.

S. seems to gain in technology with Japan. Page 7.

years. The decision was seen as a major victory for the Reagan administration's new, tough trade policy with the Japanese.

The agreement was reached Saturday after Japan asked to reopen negotiations, which had ended in a deadlock Friday morning.

Agriculture Minister Shinjirō Maehara had been expected to visit Tokyo on Saturday under a threat of retaliation, trade sources said.

Japan agreed to increase its beef

"I don't have any comment on anything," said Robert Sims, the White House deputy press secretary.

A State Department spokesman, Brian Carlson, said, "As a matter of practice, we do not comment on alleged covert activities."

Unlike ground operations conducted by rebel forces inside Nicaragua, which U.S. advisers monitor from Honduras but do not control, the sources said, the planting of the mines in Nicaraguan waters directly involves Americans and is under their immediate control.

Members of the Senate and House intelligence committees said the role of the Americans constituted a significant change in CIA operations against Nicaragua and as one Democratic senator said, "crosses a threshold that brings us closer to a direct confrontation with Nicaragua."

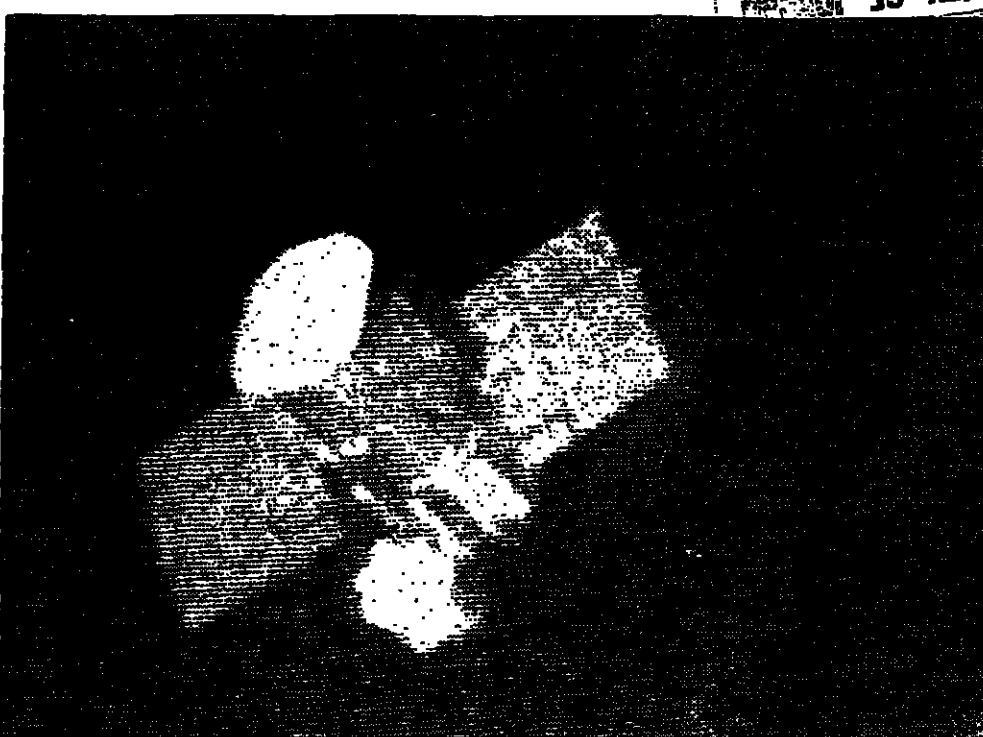
A spokesman for the CIA, Dale Peterson, said Saturday that the agency would not comment on the mining operation or the involvement of Americans. Intelligence officials said privately that Americans involved in the mining activity do not enter Nicaraguan territorial waters.

Nicaragua claims territorial waters up to 200 miles (about 325 kilometers) offshore, but the United States respects only a 12-mile limit. The intelligence ship that carries Americans operates outside the 12-mile limit but well within the 200-mile boundary, according to Reagan administration officials.

Based on the 12-mile limit respected by the United States, intelligence officials contended that Americans are not directly involved in military operations against Nicaragua.

Members of Congress, including Democrats and Republicans, said the fact that Americans remain outside the 12-mile limit does not lessen their responsibility for the operation.

"We have carefully monitored these activities," said a Republican member of the Senate Select Committee on Intelligence, "to ensure that, whatever else happened, (Continued on Page 2, Col. 4)



The satellite Solar Max as it flew Sunday close to the shuttle. An astronaut, Dr. George D. Nelson, white spot at lower center of satellite, tried but failed to attach a tether to it.

## Shuttle Launches Huge New Satellite; Crew Fails to Snare Damaged Orbiter

Compiled by Our Staff From Dispatches

CAPE CANAVERAL, Florida

The crewmen of the space shuttle Challenger put into orbit Saturday the largest satellite ever deployed by the shuttle program, then on Sunday caught up with the damaged Solar Max satellite more than 300 miles (480 kilometers) above Earth.

They were unable to capture the four-year-old Solar Max during a spacewalk or with the shuttle's arm, but another attempt is to be made Monday.

The 11-ton cylindrical aluminum satellite launched from the shuttle Saturday will test how well 57 types of space-age materials stand up to the heat, cold and cosmic rays of space during a 10-month orbit. It will be brought back to Earth next February by another shuttle crew.

The shuttle's 50-foot (15.1-meter) robot arm pushed the cylinder out of Challenger's cargo bay Saturday afternoon as the shuttle

crossed the Pacific Ocean on its 19th orbit.

"Steady as the Rock of Gibraltar and almost as big," the shuttle commander, Robert L. Crippen, said after the cylinder drifted away.

That report brought cheering at the Johnson Space Center in Houston from the more than 200 scientists of the National Aeronautics and Space Administration, the Pentagon and 65 U.S. and foreign companies and universities who had paid NASA more than \$20 million to put their experiments on the cylinder.

Built for \$7 million, the cylinder is little more than a rack. All the experiments are on trays exposed to space.

After NASA, the second-largest user of the satellite is the Pentagon. Its test items include materials aimed at making future spacecraft relatively invisible to radar; fiber optics that can be used as laser-light carriers in space; and metals that could be used to build a space-based radar satellite to provide "all-weather full Earth surveillance."

On Sunday's mission to capture and repair the Solar Max, one of Challenger's five-man crew, Dr.

George D. Nelson, ventured on a spacewalk with the shuttle.

He had no trouble flying 200 feet below the shuttle and the satellite, using a jet backpack, but he was unable to latch onto a pin extending from the satellite. He tried to hook up with a special docking device but it would not attach.

Then Dr. Nelson used his gloved hands to grab one of the satellite's twin solar panels. By that time, however, he was running low on nitrogen for his backpack jets and was ordered to return to the shuttle.

The shuttle pilots then tried to catch the slowly rotating satellite with Challenger's mechanical arm, but that too failed.

(UPI, WP, NYT)

Salut Aids Firefighters

The Soviet and Indian cosmonauts orbiting Earth aboard the Salut-7 space station helped combat a forest fire in Burma by transmitting details of its extent, visible only from space, officials in Moscow said Sunday, according to a Reuters report from Moscow.

The cosmonauts reported that the fire was raging over an area of 50 square kilometers (about 20 square miles).

## Chernenko Says Moscow Firm on Missile Pullout, Calls U.S. 'Intransigent'

Compiled by Our Staff From Dispatches

MOSCOW — The Soviet leader, Konstantin U. Chernenko, said Sunday that Moscow had no intention of dropping its insistence that new NATO missiles in Western Europe be removed before nuclear arms talks with Washington are resumed.

Mr. Chernenko, in an interview in Monday's issue of the official Communist Party newspaper Pravda, said the United States seemed to be accelerating its arms buildup while maintaining an intransigent negotiating position.

"Our contacts with the American side also show that no positive changes have taken place in the position of the United States on these cardinal questions," he said.

The U.S. ambassador to the Soviet Union, Arthur A. Hartman, has twice met with the Soviet foreign minister, Andrei A. Gromyko, in the past two months, each time after returning from briefings in Washington.

No details of their talks have been released by either side. The State Department in Washington expressed annoyance that Moscow publicized the fact that the first meeting took place.

Mr. Chernenko painted a generally bleak picture of Soviet-U.S. relations but stopped short of direct criticism of President Ronald Reagan's latest proposals on banning chemical weapons. Mr. Reagan announced Wednesday that he would send Vice President George Bush to Geneva this month to present the proposals to the United Nations Conference on Disarmament.

However, Mr. Chernenko attacked Mr. Reagan's foreign policy

speech Friday at Georgetown University as evidence that the United States was not about to change its policies and lessen world tension.

Mr. Chernenko took a pessimistic view of international affairs, saying that "the situation in the world is not improving."

"It remains very dangerous," he said.

A U.S. diplomat in Moscow who asked not to be identified said last week that "we have the feeling now that the Soviets are much less anxious to talk to us about arms control."

The diplomat said he was not certain if this reflected "a more hard-line element in control of the leadership" or "electoral factors" connected with the U.S. presidential race.

Mr. Chernenko rejected the suggestion that Moscow was stalling until after the U.S. elections.

"Those who circulate such ideas either do not know us, or most probably, deliberately distort our policy," he said. "It is a principled policy and not subject to transient vacillations."

In the Pravda interview, Mr. Chernenko was using the traditional format of Soviet leaders to make public statements. It was the first time Mr. Chernenko had used the Pravda forum since succeeding Yuri V. Andropov, who died in February.

He accused Washington of talking hypocritically about a desire for dialogue.

"Talks on what?" he said. "On how many and specifically what missiles targeted against the Soviet Union and our allies can the United States deploy in Europe? Such talks are not for us."

"The moment the United States

and the other NATO countries who are acting at one with it take measures to restore the situation that had existed before the deployment of the new American missiles was started, the Soviet Union will not be found wanting," he added.

The Soviet Union walked out of Geneva talks with the United States on medium-range nuclear missiles in November as the first cruise and Pershing-2 missiles began to arrive in Britain and other West European countries. (Reuters, AP)

U.S. Policy Reaffirmed  
Washington is ready to resume the talks on intermediate nuclear arms reduction in Europe but will not offer concessions to entice Moscow back, a senior U.S. defense official said Sunday. Reuters reported from Paris.

"We are ready to resume negotiations when they are," the assistant defense secretary, Richard N. Perle, said at an International Institute of Geopolitics seminar in Paris. "But we will not make pre-emptive concessions merely to bring them back to the bargaining table."

Mr. Perle said that if arms talks achieved genuine reductions on both sides, the United States has 8,000 fewer nuclear warheads now than in 1967 while the Soviet Union has steadily built up its arsenal over the same period, he said.

Jesse J. Kirkpatrick, the chief U.S. representative to the United Nations, said at the seminar that the Soviet buildup in the Pacific during the past 20 years had been dramatic. The Pacific fleet is now the largest of four Soviet fleets, containing one third of all submarines and naval aircraft, she said.

## Wheeling-Pittsburgh Steel Corporation RAIL ROLLING MILL



Walter F. Mondale meets union members at a Wheeling-Pittsburgh Steel Corp. plant in Monessen, Pennsylvania, while campaigning for the state's Democratic primary Tuesday.

## Mondale, in Reversal of Earlier Test, Wins Easily in Wisconsin Caucuses

The Associated Press

MADISON, Wisconsin — Walter F. Mondale has easily defeated Senator Gary Hart in Wisconsin's Democratic Party caucuses, capturing another large group of delegates and reversing the results of a nonbinding primary last week in the state.

Mr. Mondale led Mr. Hart by almost 2 to 1 in the caucuses Saturday. The Rev. Jesse L. Jackson was a distant third.

Officials said the caucus results got at least 42 delegates and Mr. Hart 23 and that they would divide the 13 others. There was doubt as to whether Mr. Jackson would win any delegates.

Mr. Mondale, campaigning in

Pittsburgh for the Pennsylvania primary on Tuesday, said he was "obviously very pleased" with the victory. "We had anticipated a very close contest," he said.

In the Wisconsin presidential preference vote last Tuesday, Mr. Hart received 46 percent of the total, Mr. Mondale 43 percent and Mr. Jackson 10 percent.

But Republicans could vote for Democrats in that contest and there were indications that Mr. Hart had benefited from a strong crossover vote that did not apply in Saturday's caucuses, which were limited to Democrats.

After Saturday's results were announced, Mr. Hart said: "Last Tuesday night Wisconsin residents voted for the candidate of their

choice and today the Democratic establishment of that state voted for theirs."

"When the judgment of approximately 625,000 people is overturned by a handful, then one has to question whether Wisconsin's closed caucus process is the fairest one for the state or for the Democratic Party."

It is the caucuses that determine the allocation of 78 of the 89 delegates Wisconsin will send to the Democratic National Convention in July.

With 100 percent of the caucus votes counted, the totals were: Mr. Mondale, 18,169 or 54 percent; Mr. Hart, 10,199 or 30 percent; Mr. Jackson 5,026 or 15 percent; and uncommitted 492 or 2 percent.

Participants in the caucuses chose delegates to congressional district meetings in May, when national delegates will be chosen.

It was uncertain whether Mr. Jackson would get any delegates because of a requirement that a candidate get at least 15 percent of the votes in any one caucus district to win representation to the subsequent level.

Pennsylvania Forecasts Vary  
David S. Broder of The Washington Post reported from Philadelphia: Over the weekend, as Mr. Mondale and Mr. Hart campaigned for Tuesday's voting in Pennsylvania, polls showed that Mr. Mondale and Mr. Hart were extremely close.

But politicians disagreed, saying that Mr. Mondale can win the popular vote and run up such a big

(Continued on Page 2, Col. 4)

## Lebanese Factions Agree in Disengagement Pact

New York Times Service

BEIRUT — Lebanese factions have reached agreement on disengaging their forces in and around Beirut, but fighting continued Sunday.

Government sources said representatives of the Lebanese Army and Muslim and Christian militia met at the accord at a 6-hour meeting Saturday at the presidential palace in the Christian suburb of Baabda.

In Tel Aviv, an Israeli Army spokesman said Israeli jets on Saturday bombed a former hotel in the mountains east of Beirut used as a base by the Democratic Front for the Liberation of Palestine, the group that claimed responsibility for a grenade and machine-gun attack in Jerusalem last Monday in which 50 Israelis were wounded.

Beirut radio said Israeli fighter jets flew a reconnaissance mission over the Druze-controlled village of Bhamdoun, 12 miles (19 kilometers) east of the capital, and 5:30 A.M. and then returned at 7:30 A.M. to attack suspected concentrations of Palestinian guerrillas. There were no reports of casualties. Bhamdoun became the command center of most of the Palestinian guerrillas operating in the mountains east of Beirut.

The Israeli air strike came amid confirmed reports in the Beirut of military buildings in east-

ern and southeastern Lebanon by Syrian and Israeli troops.

A security and political committee under President Amin Gemayel, which includes delegates from warring private armies, has so far failed to stabilize a ceasefire endorsed by a national reconciliation conference held in Lausanne, Switzerland, last month.

Police said 6 persons died and 35 were injured in random artillery and rocket bombardment of Muslim and Christian quarters of Beirut on Saturday. Nine were killed and more than 60 wounded in similar attacks on Friday.

Despite news of an accord on disengagement, artillery and mortar exchanges intensified Sunday afternoon in the capital and in the hills overlooking it, according to Muslim and Christian private radio stations. There were no immediate reports of casualties.

Government sources said that under the agreement to separate the forces, rival groups will withdraw several yards from their present positions to enable the creation of buffer zones. The zones will be manned by a neutral force of 2,000 security men after it is drawn from army recruits and retired army and police officers.

The accord covers the so-called Green Line dividing Beirut into Christian and Muslim sectors as well as Souk el-Gharb, a Christian



Pro-Syrian militiamen sift the rubble of a hotel that Israeli jets destroyed in the raids on Bhamdoun, east of Beirut.

city surrounded by Druze combatants in the mountains about nine miles east of Beirut.

Analysts said the disengagement agreement sets the stage for President Gemayel's proposed visit to Damascus in the next few days for talks with the Syrian president, Hafez al-Assad.

No official date for the visit has been announced, but press reports

## Vietnam, China Charge Incursions Along Border

By William Branigan  
Washington Post Service

BANGKOK — Vietnam said Sunday that its forces had dislodged Chinese troops from two hills in a northern Vietnamese province bordering China and had inflicted heavy casualties.

Hanoi radio broadcast the claim as China and Vietnam traded accusations about incursions and shelling across their border. Western diplomats and Thai authorities believe the reported clashes are linked to a drive by Vietnamese occupation forces in Cambodia against Chinese-backed guerrillas based

along Cambodia's border with Thailand.

The radio's claim followed an announcement Saturday by the Vietnamese Foreign Ministry that several battalions of Chinese infantry had crossed the Vietnamese border Friday and occupied Hills 820 and 636 in Lang Son province.

Chinese gunners had shelled six northern Vietnamese provinces for five days before that, the Foreign Ministry said. It accused China of a "brazen act of war" that demonstrated "the Chinese expansionist desire of aggression."

The Vietnamese radio quoted the Communist Party newspaper Nhan Dan as reporting Sunday that the Chinese had been dislodged from the two hills Saturday morning. It was not clear whether this meant the Chinese were no longer on Vietnamese soil. No other details were immediately available in Bangkok.

Hanoi radio charged that the Chinese embarked on an incursion "in the hope of strengthening the spirit of the Pol Pot remnants and saving them from being punished by the Kampuchean armed forces and Vietnamese volunteers."

This referred to the Communist guerrillas of the Khmer Rouge, who are the main resistance group battling the Hanoi-installed government of Cambodia, and to the 160,000 to 180,000 Vietnamese troops supporting that government. Kampuchea is the Khmer name for Cambodia and Pol Pot is the former Cambodian dictator.

Some observers in Bangkok took the statement as a hint that Vietnam intends to continue a drive against the Chinese-backed Khmer Rouge following an assault late last month on a Khmer Rouge camp on Cambodia's northern border with Thailand.

The situation on the Thai-Cambodian border is expected to figure highly in talks between Prime Minister Prem Tinsulanonda and foreign leaders, including President Ronald Reagan, during Mr. Prem's current six-nation tour.

Mr. Prem, a retired army general, left Sunday for Canada. He will also visit the United States, Denmark, West Germany, Yugoslavia and Switzerland. He is scheduled to meet Mr. Reagan on Friday in Washington.

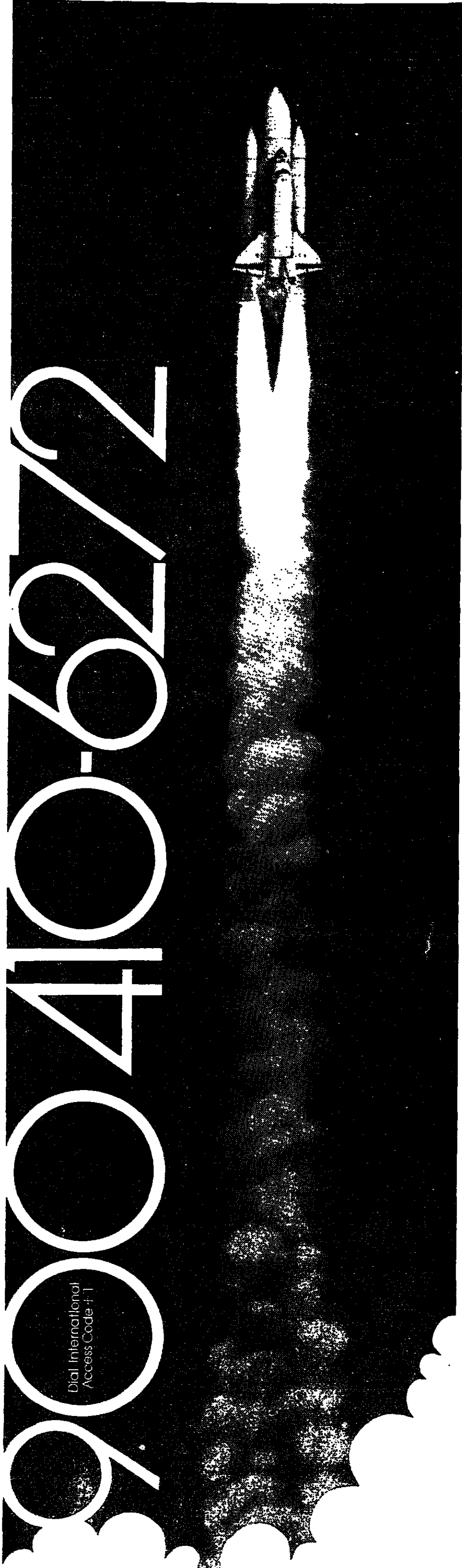
The tension along the border is seen in Bangkok as strengthening Thailand's hand in a request to buy U.S. F16s.

here said it is expected on Wednesday.

They said Mr. Gemayel will seek Syrian assistance in ensuring cooperation by Damascus-backed Muslims for a stable cease-fire and formation of a government of national union. Syria had promised to help end the Beirut crisis here after Mr. Gemayel last month advocated the troop withdrawal agreement Lebanon concluded with Israel May 17.



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## U.S. Aides Report Contingency Plan On Using Troops in Central America

By Richard Halloran  
New York Times Service

WASHINGTON — Senior administration officials say that contingency plans are being drawn for the possible use of U.S. combat troops in Central America if the current strategy for defeating leftist forces in the region fails.

They say that if troops are ever used, they would be employed under the terms of the Rio Pact of 1947, a mutual defense treaty signed by the United States and all countries of Central America.

Until now, senior administration officials, both in public and in private, have asserted that there were no plans to send U.S. combat forces to fight in Central America. In public, that policy still holds. But in response to inquiries, officials have privately raised the possibility of intervention by U.S. combat forces.

[The U.S. defense secretary, Caspar W. Weinberger, denied Sunday that the Pentagon was drawing up such contingency plans. The Associated Press reported from New York.

"No, they are not," Mr. Weinberger said when questioned in an ABC television interview. "There is no plan of that kind nor is there any necessity for it."

[Mr. Weinberger said: "That's another of those stories that appears and is attributed to an administration source who's usually some man you catch in the hall who gives you the answer that you want."

The officials noted that such planning was routine because military forces must be prepared for all kinds of possible crises. The plan-

ning has been divided into two levels, political policy and military contingency, the officials said.

They said that the dispatch of U.S. forces to fight in Central America would require the consent of Congress under the War Powers Act of 1973. But they contended that few members of Congress would be willing to abandon Central America to Marxist rule.

The officials emphasized that the administration would prefer to see the Salvadoran Army, with training and military assistance from the United States, overcome the leftist insurgents in El Salvador.

They also expressed the hope that internal political instability in Nicaragua, plus activities of anti-government insurgents backed by Honduras and the United States, would persuade the leftist Sandinist government in Managua to stop trying to subvert El Salvador—as they contend it is doing—or would lead to the Sandinists' overthrow.

The officials reaffirmed that the administration intended to pursue recommendations by the National Bipartisan Commission on Central America, headed by former Secretary of State Henry A. Kissinger, which called for a long-term program of economic assistance to Central America costing \$20 billion to \$24 billion in external financing from all sources.

They indicated that any presidential decision to invoke the Rio Pact would not be taken until 1985 or 1986 or even later, after the current program in Central America has been given a chance to work.

But if the program fails, one official said, "we may be faced with a protracted stalemate" and "The day may come when we will be

asked to help a country under the Rio Pact and to come in with military force."

The officials said that military staff officers were preparing the new plans for operations in Central America so that the armed forces could be ready to respond quickly to a presidential order.

They indicated that in discussing the possibility of U.S. combat intervention in Central America under terms of the Rio Pact, they wished to send at least two messages.

One, directed at Congress, is the idea that support for administration programs now, particularly for economic and military assistance, will reduce the likelihood that troops may be needed later.

The second message is directed to the Salvadoran rebels, their Nicaraguan supporters, Cuba and, ultimately, the Soviet Union. That message says that those who support the insurgents should desist or be confronted with the possibility of U.S. military action.

Known formally as the Inter-American Treaty of Reciprocal Assistance, the Rio Pact of 1947 obligates signers "to provide effective reciprocal assistance to meet armed attacks against any American state."

All Central American nations and the United States have ratified it.

The signers agree, the pact says, "that an armed attack by any state against an American state shall be considered as an attack against all American states." In response, the pact authorizes breaking of diplomatic relations, interruption of economic relations, and use of armed force.

## Mondale Defeats Hart In Wisconsin Caucuses

(Continued from Page 1)

margin in the separate delegate contests that his victory at the San Francisco convention will be almost assured.

Three nights of tracking polls by The Washington Post and ABC News from Wednesday through Friday found Mr. Mondale and Mr. Hart deadlocked at 41 percent each. Mr. Jackson was third, with 12 percent.

Mr. Mondale, however, is strongly favored to increase his delegate lead in the separate voting for 117 district delegates and the allocation, on the basis of those results, of another 55 pledged at-large delegates.

Pro-Mondale labor and party leaders changed the rules in Pennsylvania last year to allow winner-take-all district delegate contests. Mr. Hart compounded his problem by filing only 47 of his delegates for the 117 available district posts.

Mr. Hart is now engaged in a wide volunteer effort to pass out cards at the polls identifying 70 others he has "adopted." Mr. Jackson is expected to win delegates only in two or three central-city congressional districts with heavy black populations.

That is why Joe Trippi, Mr. Mondale's state coordinator, said that "even if Hart wins the popularity poll 70 to 30, which he won't do, we will get a majority of the delegates."

What Mr. Trippi did not say—but what others in the Mondale hierarchy acknowledge—is that, if Mr. Hart wins the popular vote by any margin at all, it will give him a tremendous boost after his losses in two earlier major industrial states, Illinois and New York.

Pennsylvania's unemployment rate is among the five biggest in the country, and its public employee, teacher and industrial unions, which are financing and staffing Mr. Mondale's campaign through the delegate states, are among the most aggressive in the country.

Over the weekend, Mr. Hart and Mr. Mondale visited the Scranton and Wilkes-Barre area, impoverished hard-coal territory.

Mr. Jackson spent part of the weekend in Philadelphia, where there is a low-key fight in the black community. W. Wilson Goode, the city's first black mayor, has endorsed Mr. Mondale, pitting his prestige against Mr. Jackson's emotional appeal.

■ Mondale Visits N-Plant  
Mr. Mondale went to the Three Mile Island power plant Sunday and said that, if elected president, he would guarantee that the site of the worst U.S. commercial nuclear accident would not reopen. The Associated Press reported from Middletown, Pennsylvania.

Mr. Mondale said Mr. Hart had "taken about three different positions" on reopening the plant.

## CIA Said to Supervise Mining Off Nicaragua

(Continued from Page 1)

Americans didn't get into combat-type operations against Nicaragua.

The senator, who asked to remain anonymous, added: "That distinction has now been lost. When an American is on the mother ship in a mining operation, he's involved directly in military activities. It's irrelevant whether the ship is in international waters."

Neither the Senate nor House committees were informed about the mining or the participation of Americans until recent weeks. Senator Daniel Patrick Moynihan, vice chairman of the Senate intelligence panel, said Friday, "The mining must be stopped and it will be stopped." The New York Democrat said the committee has scheduled a meeting this week with senior CIA officials to discuss the mining operation.

Mr. Moynihan, who recently voted in favor of giving the CIA an additional \$21 million to support Nicaraguan rebel activities this year, said he opposed the mining on the grounds that it violates freedom of the seas and places the United States in "the absurd position of laying mines that Western European nations may come and remove."

He was referring to an offer by France, made public Thursday, to help Nicaragua clear the mines. Britain told the Reagan administration earlier last week that it disapproved of the mining as an interference with international shipping.

The House Permanent Select

Committee on Intelligence was briefed about the mining operation within the last two weeks, according to members. There is wide-spread opposition among House Democrats to the \$21-million increase in covert aid to the Nicaraguan rebels approved by the Senate, and the mining issue is expected to play a major role in House debate on the measure.

The mining of three Nicaraguan harbors, Puerto Corinto and Puerto Sandino on the Pacific coast and El Bluff on the Caribbean, began two months ago without notification of Congress, according to members of the Senate and House intelligence panels. The mines have damaged vessels from six nations, including a Soviet freighter, since March 1.

Under federal law, the CIA is required to keep Congress informed about the intelligence operations.

Administration officials said U.S. technicians were involved in supervising the mining because relatively advanced equipment was involved. They said three kinds of mines, ones that respond to direct contact, sound waves and water pressure, have been planted in Nicaraguan waters.

According to the officials, the mines were assembled in Honduras and El Salvador with the help of Americans. For the mining of Puerto Corinto and Puerto Sandino, they said, the mines and small, high-speed boats used to place them in shipping lanes were transported to waters off Nicaragua aboard a larger vessel that serves as the nerve center for the operation.

Reagan administration officials said that if the mining operation is suspended because of opposition in the U.S. Congress, the mines already planted would not pose an indefinite threat to shipping because they are programmed to become inoperable after several months.

## DELEGATE COUNT

The following is a projected count of Democratic National Convention delegates, as calculated by United Press International. The tabulation includes Saturday's caucus results in Wisconsin. To win the nomination at the convention in San Francisco July 16 to 19, a candidate must gain the votes of at least 1,957 of the 3,933 delegates. Totals include redistribution of delegates from candidates who had earlier left the race.

THE TOTAL SO FAR (Including 189 chosen by Congress from among its members.)	
Walter F. Mondale	946
Gary Hart	545
Jesse L. Jackson	152
Uncommitted	358
Other candidates	35
<b>Total</b>	<b>1,343</b>

## Japan Raises Some Quotas

(Continued from Page 1)

removing limits on grapefruit juice. Those longstanding agricultural trade issues, politically sensitive in both countries, have blocked consideration of a half-dozen other, potentially more important disputes that U.S. and Japanese officials want to settle by June, when Prime Minister Yasuhiro Nakasone and President Ronald Reagan are scheduled to meet during a London economic summit meeting.

Among the other disputes is Japan's reluctance to import high-technology products, such as computer ware and telephone equipment.

A U.S. trade official called the settlement Saturday "a positive factor" for other trade talks. While the amount of beef and citrus sales to Japan is not substantial, the issue had come to symbolize what Americans considered unfair trading practices by Japan.

In recent weeks, top Reagan administration officials had publicly expressed frustration with what they considered to be Japanese inflexibility on trade issues. There were also concerns that if no agreement were reached the Democrats would make that an election-year issue.

## U.S. Limits Japanese Fishing

The United States has notified Japan that its fishing quota within the U.S. 200-mile economic zone will be 20,000 tons less than originally proposed. The Associated Press reported from Tokyo, quoting a Fishery Agency spokesman.

He said Saturday that the U.S. side had cited an increase in regulation violations by Japanese fishermen as the reason for the smaller quota. The United States in January notified Tokyo that its fishermen could catch as much as 485,632 tons, and in April it had been expected to give the Japanese permission to catch an additional 316 tons, but the second quota of the year was trimmed by 20,000 tons, the spokesman said.

## 28 Women Arrested At Greenham Common

The Associated Press  
GREENHAM COMMON, England — Police arrested 28 women who tried to occupy land Sunday outside the U.S. air base here, where cruise missiles are deployed.

The land was a camp for anti-nuclear protesters until its residents were evicted Wednesday.

Police said the women who were arrested climbed through two fences, set up banners and refused to move. They were among 150 women demonstrating at the base.

## WORLD BRIEFS

### Vote of Confidence Is Sought in Italy

ROME (Reuters) — The Italian government asked Parliament on Sunday for a second vote of confidence in three weeks, demonstrating its determination to convert a decree on wage control into law before it expires April 16.

Treasury Minister Giovanni Goria said the decree must be converted into law if the Italian economy is to share in Western economic recovery. The decree, reducing by three percentage points the automatic wage increases received by 20 million workers, is the Italian government's first attempt to impose a binding solution on union-management negotiations.

The measure becomes null and void if it is not ratified by Parliament by April 16. The government pushed it through the Senate last month by winning a similar vote of confidence, which cuts short debate on the issue.

### Syrian Leader Misses Anniversary

BEIRUT (UPI) — Syria has marked the 37th anniversary of the founding of the ruling Ba'ath Party with anti-U.S. slogans and warnings against an Israeli offensive but President Hafez al-Assad was absent from the celebrations.

Mr. Assad, who suffered a heart attack last November, did not attend the anniversary festivities Saturday at Damascus University. His absence was not explained but a television commentator said he was represented by his brother, Rifaat, an army officer recently appointed vice president for security affairs.

After Mr. Assad's heart attack, there were reports that his illness had triggered a power struggle among his brother and other army officers. But the Syrian president has been active lately and spoke on the telephone last week to President Amin Gemayel of Lebanon. Mr. Assad is due to meet soon with Mr. Gemayel.

### 9 French Soldiers Are Killed in Chad

PARIS (UPI) — Nine French soldiers were killed in Chad Saturday and six were wounded by a land mine that exploded as they approached an abandoned rebel tank, the Defense Ministry announced.

The victims were among 20 men on a reconnaissance mission near Oum Chalouba, scene of heavy fighting last August between government troops and rebels, it said. The ministry said the mine exploded just as an officer leading the squad commanded his men to stop 300 yards (274 meters) short of an abandoned tank.

Only one other French soldier has been killed since France sent a 3,000-man force to its former colony in central Africa last August. The French are supporting President Hissene Habré against Libyan-backed rebels.

### Torture Alleged in Zimbabwe Camps

LONDON (AP) — Troops sent into Matabeleland by President Robert Mugabe of Zimbabwe to halt guerrilla raids have set up interrogation camps where thousands of civilians have been tortured and large numbers killed, Britain's Sunday Times newspaper reported.

Quoting reports by survivors, members of the Roman Catholic Church and opponents of Mr. Mugabe, the paper said thousands of people have been rounded up at random for questioning about activities of anti-government guerrillas. It quoted an unnamed source in the security forces, now outside the country, as saying more than 1,000 civilians have been killed.

Government troops at camps in Belagwe, Sun Yat Sen and Mphoengs, between Kezi and the Botswana border, have subjected detainees to electric shock and other torture during interrogation, the paper said. At what it called the "death camp" in Belagwe, "many people died and their bodies were thrown into shallow pits, splashed with kerosene and set alight."

### EC Again Tackling Budget Problem

BRUSSELS (Reuters) — European Community foreign ministers will try again Monday to resolve a dispute on budget payments with Britain that has held up agreement on changes in Common Market finances.

Wrangling over the size of any future refunds continues to isolate Britain in the community, the issue led to the collapse of a summit conference last month. British diplomats are optimistic that a solution will be found, although not necessarily at Monday's meeting in Luxembourg.

Others said that despite pressing financial problems and expectations that the group would run out of cash in the autumn, French officials were trying to take the urgency out of the debate to weaken Britain's bargaining stance. The diplomats said France's external affairs minister, Claude Cheysson, was arguing that a final accord was not needed before the next summit meeting in June.

### Cocos Islands Vote to Join Australia

SYDNEY (AP) — Residents of the Cocos Islands have voted 231-30 to become part of Australia, which was given the string of 27 coral atolls in the Indian Ocean by Britain 29 years ago.

Australian officials who supervised the balloting Friday said 231 Cocos Islanders voted for full integration with Australia. The 30 other votes were divided between the other two options on the ballot — 9 for independence and 21 for free association with Australia, under which Canberra would have protected the islands' external interests.

Had independence been approved, the Cocos would have become the world's smallest country. The Cocos, which cover 5.5 square miles (14.2 square kilometers), were ruled for generations in feudal fashion by the descendants of a Scottish sea captain under a grant from Queen Victoria. Britain gave the islands to Australia in 1955.

### Chile Expels 2 Politicians, Diplomat

SANTIAGO (UPI) — Chile's military government, in a series of apparently unrelated moves, has expelled two opposition leaders and a French diplomat and allowed the departure of four guerrillas who had taken refuge in the Vatican Embassy.

The guerrillas, accused of a role in the assassination of the military governor of Santiago in August, were taken to the Santiago airport Saturday morning and put on a plane for Quito, Ecuador. Pope John Paul II had requested safe-conduct passage for the rebels, who walked into the Vatican Embassy carrying submachine guns and explosives nearly three months ago and asked for asylum.

Two politicians arrested Saturday were taken to the airport shortly afterward and placed on a plane to Brazil because of "Communist activities" prohibited by the constitution, according to Interior Minister Sergio Onofre Jarpa Reyes. They were Jaime Izzuzza, secretary-general of a Communist-led coalition of leftist political parties, and Leopoldo Ortega, a former Communist congressman and an official of the Chilean Human Rights Commission.

Yvonne Le Grand, the French vice consul, arrived at the same airport a few hours later to board a plane for France. She had been declared persona non grata, reportedly for assisting in the escape to Argentina of a member of the same leftist group as the four guerrillas.

### For the Record

President Hosni Mubarak of Egypt signed a decree Saturday scheduling elections May 27 for an expanded 448-seat People's Assembly, the official Middle East News Agency said. The election will be the first under a law passed in July that has voters choose political parties rather than candidates. (AP)

Gary Kasparov defeated Vasily Smyslov in 40 moves Saturday in the 12th game of the world chess finals. Kasparov now leads 8 to 4 and needs only half a point to win the contest to challenge the world champion, Anatoli Karpov. (AP)

A South African soldier and a woman were killed in an attack by more than 10 black nationalist guerrillas Thursday in northern South-West Africa, or Namibia. South African radio reported Saturday. It said another woman and two children were seriously injured. (Reuters)

Unions representing 300,000 striking dockworkers in India agreed Sunday to resume talks Monday with the government on the 23-day strike over demands for wage increases. The dispute has crippled foreign trade.

The number of inmates in state and federal prisons rose 24,000 last year to a record 438,830, partly because of tougher attitudes toward criminals, the U.S. Justice Department said Sunday. (UPI)

Elizabeth Bowra, the cerebral palsy victim who lost several court fights to get Riverside General Hospital to let her starve to death under hospital care, checked out of the California hospital Saturday, leaving no clue where she was going. (AP)

The Strategic Air Command said Sunday that it had made successful test launches of two Minuteman-3 intercontinental ballistic missiles. (UPI)

About 250 cabinet ministers, legislators and heads of international organizations will discuss Europe's role in North-South economic relations at a three-day conference opening Monday in Lisbon, sponsored by the Council of Europe's parliamentary assembly. (Reuters)

A man with a revolver shot and wounded two unarmed airport security guards Sunday in Las Vegas, Nevada, then was shot to death by police. The man, who was not immediately identified, tried to get into a boarding area for Pacific Southwest Airlines, police said. (AP)

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## AMERICAN TOPICS

Debate Opens Anew  
On Sex and Money

What's a nurse worth compared to a plumber, a librarian to a mail carrier? How do female-dominated jobs, historically low-paid, compare in skill and responsibility to predominantly male, better-paid, jobs? Such questions of "comparable worth" are at the center of a debate stirred anew by a court ruling in Washington state. A federal district judge found a pay disparity of 20 percent between jobs mostly held by men and those mostly held by women. The judge said the jobs had the same "intrinsic value" and ordered the state to raise salaries by an average of 31 percent for the jobs traditionally held by women.

In Congress last week, a subcommittee headed by Representative Mary Rose Oakar, Democrat of Ohio, heard testimony in support of equal pay for comparable work from Joan Mondale and Jacqueline Jackson — the wives of Walter F. Mondale and the Rev. Jesse L. Jackson — and Martha Keys, a former Democratic representative from Kansas, who is the sister-in-law of Gary Hart.

Crime Trend Seen  
In Eyeglasses Fads

The current craze for Cazals, an expensive West German brand of eyeglass frames, has led to a rash of robberies and has been linked to at least four killings. In New York, men wearing the thick, dark plastic spectacles with gold-plated trim have had them snatched from their faces; one robbery victim who put up a fight to keep his glasses was stabbed to death. In Philadelphia, at least three men who pursued robbers to get their glasses back were stabbed or shot to death.

Made by Creations Cazal, the frames come in more than 50 styles ranging in price from about \$85 to \$200, well above the cost of ordinary frames. Officials say youths regard them as status symbols and wear them whether they need glasses or not — frequently without lenses.

FBI Is Tuning Out  
Radio Eavesdroppers

The Federal Bureau of Investigation says that its radio station has proved too popular with criminals and other eavesdroppers who found they could keep track of agents' movements with an FM scanner. As a result, fugitives have escaped, agents have been threatened and crime-fighting operations have been jeopardized, the agency says.

To thwart eavesdroppers, the bureau is buying equipment to encode its radio transmissions, much as it already uses codes to protect communications involving espionage investigations. Called "voice privacy radio," the new gear has been installed in the agency's Los Angeles office and will soon be

Hollywood Studios  
Joining Drug Battle

Moving to deal with Hollywood's narcotics problem, leading film studios are joining the National Institute on Drug Abuse and the Scott Newman Foundation in co-sponsoring a conference on drug abuse for 390 movie industry executives, producers and union representatives. Participants say they hope the April 11 meeting will lead to an industrywide program of aid for employees who abuse drugs, similar to programs offered by 8,000 companies around the country to help workers with alcohol problems.

The Scott Newman Foundation was founded after the actor Paul Newman's son Scott died from an accidental overdose of drugs and alcohol.

## Notes on People

Senator John Tower, the Texas Republican who heads the Senate Armed Services Committee, is challenging colleagues who think the military budget is too high to put up or shut up. He is asking them to identify military installations, defense contracts and building projects in their own states that can be cut back "without impairing significantly the effectiveness or efficiency of our national security program."

Last year, Mr. Tower's similar request for a list brought only six responses. He does not anticipate much return mail this year either. AT&T Communications has dismissed a Baltimore telephone operator, Maureen Garrett, for staying on the line too long with customers. She was dismissed after 16 years for exceeding computer-tracked company standards of "average work time."

"They said I overextended myself to customers and stayed on the phone too long," said the operator, who is also an official of the Communications Workers of America union, which opposes the average work time standard. Union officials say dozens of operators have been reprimanded or suspended briefly for not meeting the average time quotas — 28 to 30 seconds — for handling calls. Candace Humphrey, public relations manager at AT&T Communications, said the operator was dismissed for "unsatisfactory work performance" but would not discuss specifics.

## Short Takes

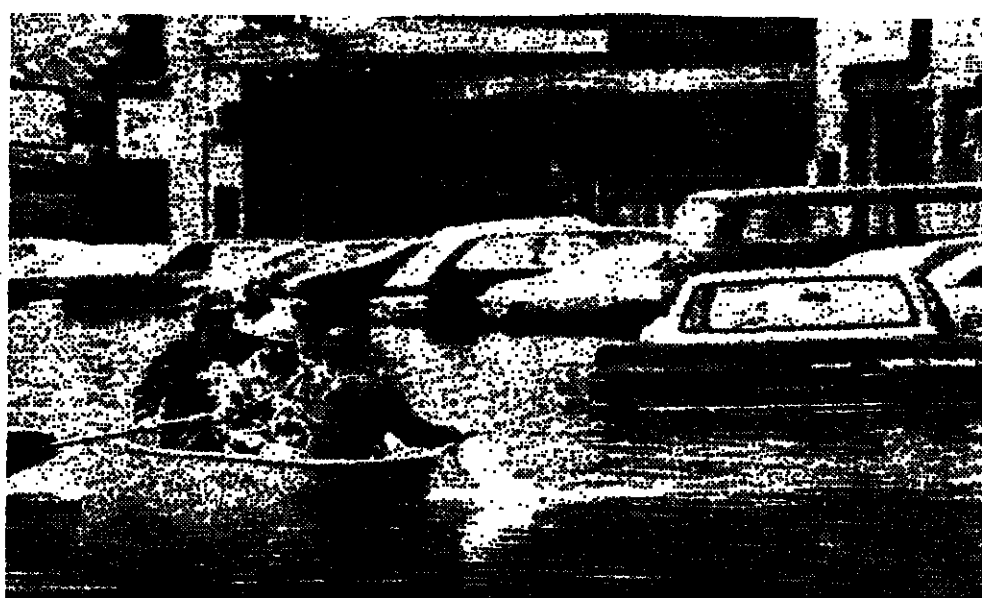
Private industry has surpassed the federal government as the largest source of funds for research and development, according to a government analysis. The study shows \$44.3 billion in R&D spending by industry in 1983, compared to \$39.6 billion by the government. President Ronald Reagan's new setting for his White House press conference last week — in front of an open doorway — is designed to block last-minute questions and interruptions from reporters after the question-and-answer sessions, according to a high-level White House aide.

The study was conducted by Meron Benvenisti, a former deputy mayor of Jerusalem who now heads the West Bank Data Base Project, a research institute in Jerusalem financed by the Ford Foundation and devoted to monitoring governmental and economic developments on the occupied West Bank. His report analyzed the expenditure of the \$36 million in grants provided by the development agency to voluntary agencies for West Bank and Gaza projects from 1977 through 1983.

He asserts that the entire thrust of the aid effort, as approved by the United States, has been changed by the Israeli authorities through their power to give or withhold permission for specific projects.

For example, Israel has approved only 35 percent of the agricultural and 23.1 percent of the industrial expenditures endorsed by the United States, the local Arabs and the voluntary agencies.

"The Israeli authorities turn down almost all projects that involve purchasing of tractors, bulldozers or any other earth-moving equipment," Mr. Benvenisti wrote.



Men use a broom and a piece of wood to paddle through Wayne, New Jersey.

## 5,000 Evacuated After Floods in New Jersey

**LITTLE FALLS, New Jersey** — Rescue crews patrolled by boat and damage estimates climbed to at least \$35 million as the Passaic River continued to rise in parts of northern New Jersey. Flooding has driven 5,000 people from their homes.

Officials warned that some of the evacuees might have to wait several days before they could return home.

Sections of Morris, Passaic, Essex and Bergen counties were flooded. Flooding downstream threatened communities in the southern parts of those counties.

near where the river flows into Newark Bay.

About 500 people were evacuated Saturday from both Fairfield in Essex County and from Paterson, where only 2 of the 14 bridges leading to Passaic County remained open, officials said.

Paterson police said the Passaic River covered access roads and reached the decks of the bridges. About 150 National Guardsmen were sent Saturday to Paterson, Riverdale and Fairfield at the request of local officials. They were sent to assist in evacuations, traffic control and the distribution of drinking water to residents who have been warned not to use tap water.

In the Morris County communities of Wayne and Lincoln Park, rescue crews in boats searched for people needing to be rescued from rooftops.

Record rainfall combined with melting snow to push rivers to record heights, the National Weather Service said.

Carl Golden, a spokesman for Governor Thomas H. Kean, said a "very preliminary" estimate put damage at \$35 million. But he cautioned that the figure would rise and could exceed the estimated \$141 million in flood damage done only the week before when a storm struck the coast of southern New Jersey.

Tiny Bird on Guam Helps to Ground  
Program of Strategic Air Command

**By Philip Shabecoff**  
*New York Times Service*

**WASHINGTON** — A bird in the bush can be more powerful, it appears, than the U.S. Air Force's Strategic Air Command.

The plans of the command to protect one of its bases and its nuclear weapons from terrorists have been grounded, at least temporarily, by a flightless bird tiny enough to fit into the palm of a hand.

In response to a directive that all military installations increase their anti-terrorist security precautions, the air force was planning to clear an area of trees and brush running parallel to the flight line at Andersen Air Force Base on Guam, a major SAC base in the Pacific. But the base commander agreed to postpone action after a lawyer for an environmental group threatened to sue to protect the birds.

The base's nuclear weapons are reportedly stored on one side of the vegetated area, which runs along one side of the flight line. Air force officials, asserting that the wooded area could be used as cover by infiltrators, had ordered the clearing action to begin Monday.

The vegetated area, however, is the chief remaining habitat of a bird known as the Guam rail, a flightless species that is native to the island and that has been disappearing rapidly over the last two decades. In 1968 about 80,000 of the birds were believed to be on the island, and now there appear to be only 50 left.

William Kramer, an Interior Department biologist in Hawaii, said the sharp decline in the rail population on Guam appeared to be a result of the predations of Philippine rat snakes, introduced on the island in the 1960s, or some avian disease, or a combination.

Dr. Gene Morton, curator of birds for the Smithsonian Institution's National Zoo in Washington, was in Guam recently to evaluate the status of the rail. On hearing about the plans to destroy the birds' habitat, he asked the officer in charge of the program, Colonel James D. McCracken, to defer the project.

Dr. Morton said Colonel McCracken had been sympathetic to the plight of the rail and had offered to work with Guam's wildlife department to capture and remove as many birds as possible from the area. But the colonel said he had no choice but to proceed with the clearing operation under the anti-terrorist directive, according to Dr. Morton.

On Wednesday, however, Michael Bean, a lawyer with the Environmental Defense Fund in Washington, sent letters to the Interior, Defense and Justice Departments, notifying them that he would sue the government for violation of the National Environmental Protection and Endangered Species Acts if the birds were not protected.

The Interior Department agreed Friday to place the Guam rail on the endangered species list on an emergency basis, thus barring any action that would harm the birds.

Major James McGuire, a spokesman for the Strategic Air Command's headquarters at Offutt Air Force Base in Nebraska, said that the commander of the air force base on Guam had directed that action to clear the disputed land be halted until all environmental consequences were studied.

"Our position is that we certainly are concerned about the environmental consequences of the rail," Major McGuire said, "but we do have some serious security issues we have to take into consideration."

Mr. Bean said any of several alternatives to cutting down the wooded area would be feasible. Among them, he said, were fencing off the area, routine patrolling, use of electronic sensing devices, and selective clearing of parts of the area.

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## Brazil's Communists Expel Prestes

## Longtime Party Leader Is Again Isolated by His Beliefs

**By Alan Riding**  
*New York Times Service*

**RIO DE JANEIRO** — For decades in Brazil and elsewhere in Latin America, the name of Luis Carlos Prestes has been synonymous with communism. In reprisal for the fear awakened by his unswerving loyalty to Moscow and his combative commitment to Marxism, Mr. Prestes has suffered years of imprisonment, persecution and exile.

Now at the age of 86, back in Brazil after a political amnesty decreed by the country's military government in 1979, the stocky and feisty conspirator has suffered the ultimate indignity. He has been expelled from the Brazilian Communist Party, which he led for almost 40 years, in essence for being too Communist.

"Many people think I'm crazy," he remarked impassively, seemingly undisturbed to find himself once more isolated by his beliefs. "Most men who reach a certain age find their senses. In their youth, they are revolutionaries. Then they marry and must look after a family and settle down. But here I am at my age and I still haven't got good sense."

His idealism, considered naive, cynical, antiquated or simply Stalinist by critics of left and right, has kept him young in body and spirit. Above all, he keeps the faith, confident that Brazil is marching irrevocably toward communism.

"I still expect to see many things in my lifetime," he said. "My prediction is that great struggles await Brazil, workers' struggles, strikes and so on. And from these will emerge great new leaders, real leaders of the masses."

The reason this has not occurred, even though Brazil is now living through what is perhaps the worst economic and social crisis in its history, Mr. Prestes attributes to the "right-wing opportunism" of his former colleagues in the Central Committee of the Brazilian Communist Party.

"They have totally capitulated in face of the dictatorship," he said. "Their stated objective is a nationalist and democratic government when I say that the least a Communist can fight for is a revolutionary government. Instead of trying to negotiate with the dictatorship, they should be organizing the masses."

Internal divisions are not new to Brazil's leftists. In the 1950s, the Brazilian Communist Party was



Luis Carlos Prestes, Brazil's longtime Communist leader.

convulsed by Moscow's sudden rejection of Stalinism. In the 1960s, many party members were purged when they decided to take up arms against the military government. Now, despite the reappearance of Communist banners in public demonstrations, there is an absence of leftist agitation among the poor.

Mr. Prestes' career as a revolutionary began more than 60 years ago.

Born Jan. 3, 1898, in the southern state of Rio Grande do Sul, he entered a military college, eventually graduating as an army engineer. In 1922, he joined an abortive rebellion known as the Lieutenants' Movement. Two years later he participated in a new uprising, leading a small army of cavalry and foot soldiers that became known as Prestes' Column and that held out for two years in the Brazilian interior. The expedition earned Mr. Prestes the nickname "Knight of Hope."

In the succeeding years, Mr. Prestes was in and out of prison or

in hiding as regimes changed. The overthrow of the populist government of President Joao Goulart in 1964 prompted him to resume a clandestine existence. The frustration following the military coup fed tensions within the party and in 1971, on instructions of the Central Committee, Mr. Prestes moved to Moscow.

"The official reason was my security," he said, "but it was really a kind of forced exile. I didn't say so at the time, but my differences with the other party leaders were growing. When I returned here in 1979, I stopped attending the committee meetings to avoid new clashes."

The next year, Mr. Prestes was removed as secretary-general and, in a secret meeting of the Central Committee in January, he was summarily expelled from the party.

Perhaps in the most painful slight of all, Moscow maintains relations with the Central Committee of the Brazilian Communist Party — and not with Brazil's best-known Communist.

House Panels Offer Deep Initial Cuts  
In Reagan's Military Budget for '85

**By Walter Pincus**  
*Washington Post Service*

**WASHINGTON** — House subcommittees proposed deep early cuts in President Ronald Reagan's military budget, as Congress began the task of reducing his military spending request to the levels called for in deficit-reduction plans.

One House Armed Services subcommittee suggested last week that the 40 MX missiles Mr. Reagan has suggested for fiscal 1985 be cut to 30. Another came within two votes of eliminating his request for \$2 billion for continued development work on the missile.

A member of the committee, Charles E. Bennett, Democrat of Florida, said that on the strength of the votes, he thinks that "chances are good" that the House will eliminate new MX missiles for fiscal 1985.

Another Armed Services subcommittee proposed to reduce the president's shipbuilding request by one-ninth. This would cut three new vessels.

Another subcommittee agreed on cuts of \$400 million, or about 25 percent, from the president's request for \$1.7 billion for research and development of defensive weapons in space.

Overall, the panels suggested about \$8 billion in cuts from procurement accounts, and about \$2 billion from research and development requests.

The Armed Services Committee is traditionally loyal to the Pentagon on such issues. Thus, these early cuts are likely to be the least the Pentagon can expect from the Democratic House.

Last week, as the subcommittees were sitting, the House adopted a resolution to hold after-inflation

growth in the military budget for the 1985 fiscal year to 3.5 percent.

That implies cutting about \$27 billion in budget authority from the \$305-billion military spending plan Mr. Reagan sent Congress in January.

That plan envisioned a 13-percent after-inflation increase. Mr. Reagan has since agreed with congressional Republicans to hold growth in the defense budget to 7.5 percent in real terms next year, implying a \$14-billion cut in his spending plan.

That figure seems the likeliest for adoption in the Republican-controlled Senate. But Mr. Reagan has not proposed specific cuts to achieve that figure.

As of Saturday, the Pentagon had not identified program cuts that would bring the budget under the new ceiling, a Defense Department spokesman said. Earlier, administration officials had said that reductions would come by stretching out some procurement programs, holding down pay and reducing troop readiness.

The congressional drive for military spending cuts is part of an effort to reduce the overall federal deficit. The deficit for 1985 has been estimated at \$181 billion.

The report said problems with design and construction quality at some reactors "had as root cause shortcomings in corporate and project management."

The failures of what engineers call "quality assurance" in design and construction are "part of larger breakdowns in overall project management, including planning, scheduling, procurement and oversight of contractors," it added.

Many electric utilities companies, the NRC staff found, committed themselves to reactor projects without understanding the technological challenge involved.

"A false sense of security growing out of prior success in fossil plant construction," the study said, had led some utilities that had never built atomic plants to "underestimate the complexity of nuclear design and construction."

## Study Says Israel Diverts U.S. Aid for Palestinians

**By David K. Shipler**  
*New York Times Service*

**JERUSALEM** — An independent study has concluded that millions of dollars in U.S. government aid intended for Palestinians under Israeli occupation are being redirected by Israel away from programs that would strengthen the Arabs' economic base on the West Bank and the Gaza Strip.

The study asserts that the money is instead going into projects that free Israeli funds to be used for Jewish settlements.

The U.S. Agency for International Development is aware of the situation, according to the study, but says that U.S. officials are seldom involved in negotiations with the Israeli authorities.

Israeli officials denied the allegations. The U.S. Embassy in Tel Aviv would have no comment on the report, a spokesman said.

The findings of the report take on particular significance following recent expressions of support by Secretary of State George F. Shultz for an "improvement of the quality of life" of Palestinians under occupation. Mr. Shultz has discussed this with Israeli leaders, and the

U.S. grants are scheduled to be increased.

The study was conducted by Meron Benvenisti, a former deputy mayor of Jerusalem who now heads the West Bank Data Base Project, a research institute in Jerusalem financed by the Ford Foundation and devoted to monitoring governmental and economic developments on the occupied West Bank.

His report analyzed the expenditure of the \$36 million in grants provided by the development agency to voluntary agencies for West Bank and Gaza projects from 1977 through 1983.

He asserts that the entire thrust of the aid effort, as approved by the United States, has been changed by the Israeli authorities through their power to give or withhold permission for specific projects.

For example, Israel has approved only 35 percent of the agricultural and 23.1 percent of the industrial expenditures endorsed by the United States, the local Arabs and the voluntary agencies.

"The Israeli authorities turn down almost all projects that involve purchasing of tractors, bulldozers or any other earth-moving equipment," Mr. Benvenisti wrote.

"This policy may be attributed to an attempt to prevent Palestinians from reclaiming rough or stony ground otherwise claimed by the Israeli authorities as 'state land' being 'uncultivable.'"

Only 153 percent of dairies, hatcheries and other agricultural processing establishments are approved, he said.

By contrast, Mr. Benvenisti found, the authorities approve most public works projects that would otherwise probably come out of Israeli government funds. Approval has been given to 91.1 percent of the electricity projects, 88.4 percent of the water and sewage projects and 80.6 percent of the road projects submitted.

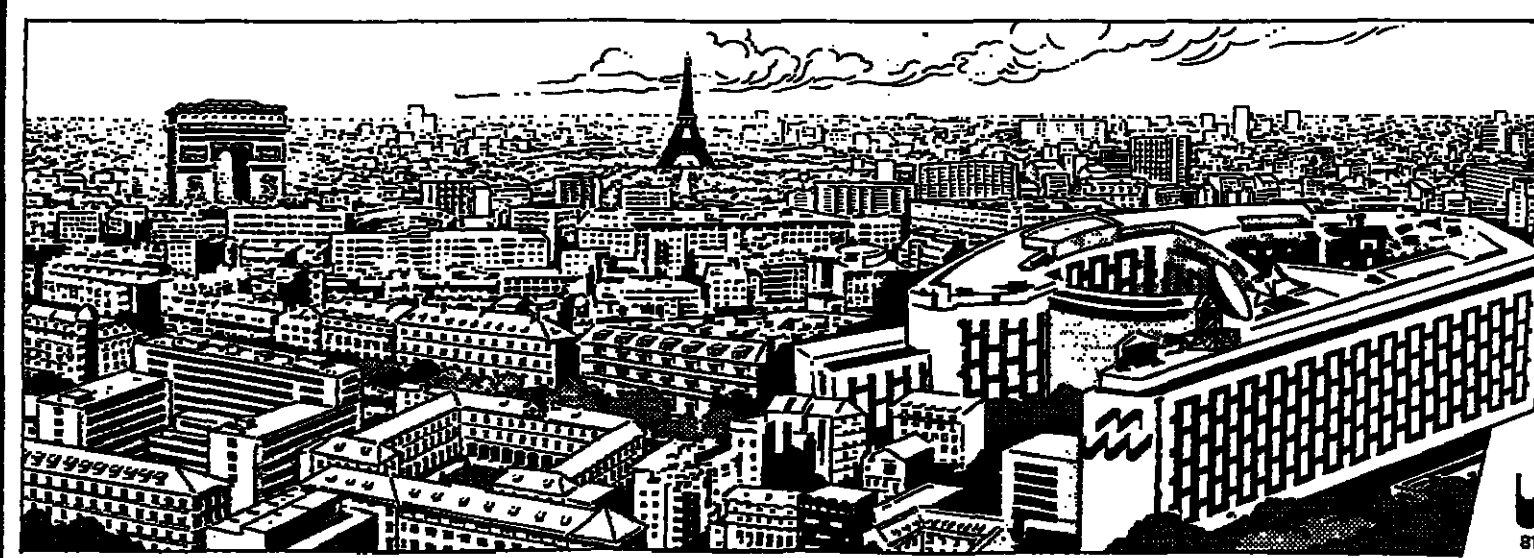
The emphasis on consumption-oriented public works projects reduces the budgetary burden on the Israeli government," he said.

"U.S. funds, channeled into public works in the territories, could thereby release Israeli budgets for Jewish settlements."

But Eli Tsur, who oversees social services in Gaza and the West Bank, denied that Israeli decisions were based on an effort to curb economic development. "It's completely the contrary," he said.

Mr. Tsur and other officials said that disapprovals were based not on categories of projects, but on deficiencies in individual proposals, for example, a project with insufficient engineering work or one that would benefit only rich farmers and businessmen who could get bank loans.

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	18:00	CARTOON TIME
	18:05	FANTASY ISLAND
	18:55	CHARLIE'S ANGELS
	19:45	VEGAS
	20:35	ROVING REPORT
	21:05	AMERICAN COLLEGE BASKETBALL
	21:55	SKY CHANNEL MUSIC BOX

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# Herald Tribune

Published With The New York Times and The Washington Post

## The Power to Make War

For a time last week, Secretary of State George Shultz seemed to pose an interesting question: How can America pursue a muscular diplomacy without stranding the democracy it aims to defend? Having lost a power play in Lebanon and failed to make power count in Central America, Mr. Shultz was wondering whether Americans would ever be willing to fight terror with terror and covert war with covert war. If they did not, he warned of dire consequences. If they did, Congress had to stop tying the president's hands.

It is an old constitutional dilemma, but this time it is no dilemma at all. For Secretary Shultz and candidate Reagan pushed the whole subject into the mud by blaming the failure of the Lebanon intervention, and the loss of 260 troops, on their critics in Congress. By the time they finished defining their philosophy, it had crumbled into shabby bits.

The intended scapegoat understandably roared back. Speaker Tip O'Neill called Lebanon the president's "worst blunder" and unfairly held Mr. Reagan "and nobody else" responsible for the deaths of the marines.

So much for learned constitutional disputation at the pinnacles of power.

Still, some tough questions remain, questions that cannot be settled in the abstract. Mr. Reagan proposes that when he deploys troops, as in Lebanon, Congress should attend the takeoff, then defer to the commander in chief. "Second-guessing about whether to keep our men there severely undermined our policy," he says. Yet all he has asked for, and got, was a mandate for peacekeeping. It was he who later made the marines do more and fight for one action in a chaotic civil war. Congress would have never approved that change of mission. With or without a War Powers Act, it had and has every right to complain.

What of the CIA's barely "secret" war in Nicaragua? Congress's wavering, Mr. Reagan contends, encourages democracy's enemies.

In this case, president and Congress had agreed that only a handful of legislators on the intelligence committees would be kept informed. Mr. Reagan asked them to support intercepting arms on the way to El Salvador and to help scare the Sandinistas into a promise not to export revolution. Once again, it was the president who wavered off course. Now he takes Congress's assent to a diplomacy of harassment as license to mine Soviet shipping, sabotage Nicaragua's economy and demand a change of government. Is it really for presidents alone to declare such a war?

"Military force, either direct or indirect, must remain an available part of America's foreign policy," Mr. Reagan says, calling upon Congress to become a "reliable partner." Never mind that he has not treated Congress like a partner. There is a tension between power and democracy, which requires open debate.

Does the diffusion of power in America make it harder to define and hold a steady diplomatic course? Yes. Can this hinder foreign policymaking? Yes — especially when presidents ignore or misjudge other power centers. Does that constrain America's military power? Yes — and also other power. Even when American leaders invoke the lesser diplomatic weapons of trade or propaganda, they cannot usually command respect abroad without demonstrated support at home.

Is that not a weakness — having to defend democracy by democratic means? Yes, but one rooted in America's extraordinary strength. With Churchill, you might even call it the worst possible system, save for all those others. It had and has every right to complain.

— THE NEW YORK TIMES

## Birthrates and the Future

Of all the forces to influence American society in the early 21st century, the least unpredictable is the number of young people entering adulthood. You can calculate fairly closely how many Americans, barring catastrophe, will turn 30 in the year 2003. It will be fewer than in 2002, because the number of babies born last year, 3.6 million, fell from the year before. That was not unusually low by recent standards, but far less than the peak of the curve when, from 1954 through 1964, more than 4 million were born annually.

The more interesting figure is the fertility rate — the number of births for every thousand women of child-bearing age. In 1983, the National Center for Health Statistics says, it was 65.4 — by a substantial margin the lowest ever recorded in the United States. The declines have been dramatic. The 1983 fertility rate is lower than in the 1970s by one-fourth, and barely half that of 1957.

The 1983 birthrate sets the school enrollments for the 1990s, and brings further bad news to college recruiters for the fall of 2001.

The very high birthrates of the 1950s put intense pressure on economic policy in the 1970s to generate jobs for young people pouring into the labor markets, aggravating the inflation of those years. But the number of

youngsters looking for work each year is now beginning to decline. In several years it will stabilize at a lower level and continue there at least until today's infants, now sleeping unsupervised in their cribs, are up on their feet and hard at work earning their livings and paying Social Security taxes to support the writers of these words in their — let's hope — comfortable and long retirement.

The fluctuations of the birthrates have always been a powerful force in national politics, a couple of decades later. It goes far beyond tax rates and social benefits. For example, the very rapid rise in the postwar years has had a lot to do with the strength of the environmental protection movement, as Americans for the first time in their history began to feel crowded and pressed by each other. It will be interesting to see whether the movement retains its present emotional force through the decades of somewhat slower expansion of the population.

The American fertility rate, at its current point, is a little below the level at which the population maintains its current size. You can conclude that both the growth of the American population and its ethnic balances will continue to be strongly influenced, as they always have been, by immigration.

— THE WASHINGTON POST

## Other Opinion

### Principles Undermined

The latest evidence suggesting that the CIA was directly responsible for the mining of Nicaraguan ports is extremely disturbing. It suggests that President Reagan is prepared to use any means to destabilize the Sandinist junta that rules Nicaragua. The Americans have refused to condemn the mining at the United Nations. By its covert campaign of sabotage and subversion in Nicaragua the United States is helping to destroy the very principles of independence and noninterference which it is trying to uphold in El Salvador.

— The Sunday Times (London)

### Nixon on East-West Relations

I suggest that we forget the atmospherics and examine the hard facts which might motivate [the superpowers] to seek a new relationship. The United States wants a relaxation of tensions. The Soviet Union needs one. Taking the long view, which is a characteristic of Russians as well as Communists, they have to be concerned about China. China today is weak economically and militarily and no threat to the Soviet Union. But China has 1 billion potentially able people and enormous natural resources. It is certain to become a major superpower in the 21st century and consequently a potentially deadly threat to the Soviet Union. This, coupled with the fact that

every advanced nation in Europe and Asia is a potential enemy if war comes, must give the leaders in the Kremlin pause.

If the men in the Kremlin think pragmatically rather than just ideologically, they can only reach one conclusion: They need to reduce tensions and develop a less dangerous relationship with the United States.

I know the Russians. We don't have to convince them that we are for peace. They know that. We must convince them that they cannot win a war and that the rewards of peace are far more than anything they could hope to gain in war. In other words — take the profit out of war and put more profit into peace.

— Former President Richard Nixon in a speech to the New York Economic Club last month, as quoted by The Baltimore Sun

### America a Colony of Japan?

We have got to decide what free and fair trade is all about, and we've got to try to level the playing field — to be competitive. Are we going to let the Midwest become a wasteland as a matter of national policy? We send Japan low-value soybeans, wheat, corn, coal and cotton. They send us high-value autos, motorcycles, TV sets and oil-well casings. It's 1776 and we're a colony again, this time of Japan.

— Lee Iacocca, chairman of Chrysler, in an interview in U.S. News & World Report

## Six Steps for a Trilateral Grand Bargain

By David Owen, Saburo Okita and Zbigniew Brzezinski

WASHINGTON — It has become fashionable to decry the process and effects of summits. This is shortsighted, because the summit meeting of the industrialized democracies in June in London will be critical.

We believe that the trilateral nations — the United States, Britain and Japan — must undertake six urgent tasks. Some call for individual action; others require coordination.

They should be regarded as a single package and undertaken simultaneously, not only to maximize their economic effects but also because it is politically unrealistic to expect individual governments to tackle some of these problems unless they feel confident that the costs of their own actions are likely to be more than compensated by the benefits they receive.

Three steps concern the individual partners. The United States: These steps should begin with urgent United States action to reduce its \$200-billion-a-year budget deficit, which poses a major threat to world economic recovery.

Europe: Europe must adapt to a rapidly changing environment. In many important fields it is technologically backward compared with America and Japan. Europe also suffers from more extensive and persistent unemployment. These two problems will hold back long challenge European stability and the strategic consensus in NATO and the European Community.

Competition in Europe itself must be strengthened. Artificial barriers to genuine free trade must be swept aside. Subsidies to older industries that have lost their comparative advantage must be phased out more swiftly and decisively. The common agricultural policy must be made to operate more effectively.

Japan: Japan must play a bigger role in the world commensurate with its economic and technological power. It must take measures to ex-

Mr. Owen was British foreign secretary. Mr. Okita Japanese foreign minister and Mr. Brzezinski U.S. national security adviser. This is adapted from the 1984 Trilateral Commission report, "Democracy Must Work."

pend its economy at a faster rate, thus stimulating world economic growth. With a high personal savings ratio and a sizable balance-of-payments surplus on current accounts, Japan should be a steady exporter of capital. Ideally, it should target its overseas investment in Western European projects using the latest Japanese technology.

This would help Europe narrow the technological gap and create new jobs. Japan would benefit by maintaining access to markets that might otherwise become increasingly closed to it by protectionist measures forced on European governments by a rising tide of Japanese goods.

Japan should also assume a greater share of the West's defense burden. It spends 1 percent of its GNP on defense (1.5 percent for NATO nations), compared with 7 percent for America and about 4 percent for the major West European nations. If political considerations make a big defense buildup difficult, Japan must increase assistance to needy Third World countries, particularly those whose stability is of strategic importance to Western democracies.

And the trilateral partners must jointly take three additional steps.

First, the 3-percent average annual economic growth for the OECD countries projected for the 1980s is clearly too low. To achieve a significant reduction in unemployment and resolve the international debt problem, something closer to 4 percent is needed. Coordination is thus critical; the main trilateral countries must be prepared to

discuss their proposed economic policies and modify them to promote the common good.

Second, the cost of defending the West must be more equally shared. America spends a larger proportion of its GNP on defense than any other trilateral country, at a significant economic cost not only to itself but to the world. If America's allies do more, America can afford to do less.

Japan must increase its strategic spending, but Western Europe must carry an extra defense burden also. NATO's still-unfulfilled commitment to an increase in defense spending in real terms ends in 1986. It is vital that NATO undertake a further long-term commitment to increase its defense effort well before then.

Third, a method must be devised to cope with the international debt problem. The IMF must continue to support debtor countries that need time to service debts and cannot rely on the private banking system alone. The IMF must be more flexible in dealing with key countries whose political or strategic importance means that they cannot be allowed to slide into anarchy.

These six tasks must be tackled simultaneously. Success in one will make it easier to achieve the others. This package of trade-offs is one from which everyone would benefit.

Accordingly, we strongly urge that the London summit strike a grand bargain that would provide an agenda for the next several summits. In particular, we recommend that a NATO meeting at head-of-government level be scheduled for early 1985 to affirm new defense expenditure commitments, and that an early special meeting of the International Development Association be convened at the finance-minister level to discuss the need to transform the economic summit into a purposeful strategic summit.

The New York Times

## Third World: Who Says Tyranny Is Inevitable?

By Flora Lewis

PARIS — They may be only a few crochets peeping through a bleak wintry landscape, but signs have appeared that seem to herald a change of climate in the Third World.

They challenge the gloom assumptions that tyrannies are inevitable, that poverty assures dictatorship, that the cure is either vast amounts of foreign money or revolution. Two forthright Latin Americans have even

expressed impatience, almost anger, with well-intentioned people in developed countries who condemn the Third World to such political and intellectual backwardness.

They are not alone. Similar sounds have come from some Arabs, from Africans surveying their countries after they slumped from the euphoria of independence a generation ago to misery and terror worse than they had ever known. It is urgent for the West to listen and take heed.

Mario Vargas Llosa, the noted Peruvian novelist, is the most resonant. "You don't like us," he told a French magazine recently. "You only like in

what is worse than yourselves, or at least different. ... You disdain us with your stereotypes showing only generals who are too rich or revolutionaries who are too poor. It is vaguely racist. You don't tell the truth."

Speaking of the failure of land reform under Peru's left-wing military regime, Mr. Vargas Llosa said, "I think good intentions and their almost automatic failure are the source of hatred. Then men go to war for God, for the revolution, for justice, for order — in short, for phantoms. Abstractions become more important than flesh and blood."

He rallied against the people in the North who "cultivate a good conscience for themselves with the blood of others, and so create phantoms which serve the enemies of freedom." They think "democracy is too good for us," the writer said. They never notice "the millions of men and women who are able and yearning to live in a democracy. ... What I want for my country and Latin America is the kind of civilization and well-being that brought liberty to the West."

So much for the school that sees "cultural imperialism" in urging political freedom on the Third World. Luis Bursin, former Costa Rican secretary of information, discusses foreign aid and revolution. It is not poverty and social injustice that provoke Latin revolutions, he argues with convincing examples. It is the freezing of political power blocking access for emerging groups.

Without political reform, no amount of foreign aid can break the vicious circle, Mr. Bursin says. "None of the countries of the region have the means to distribute this money. ... As a result, most of our wealth is left in the hands of a very small part of the population." He points out that in the last three years Central Americans have sent \$15 billion abroad to buy real estate or deposit in banks, nearly twice the \$8 billion in aid over five years proposed by the Kissinger commission.

Chadli Klibi, soft-spoken Tunisian head of the Arab League, has said Arabs must learn that development won't work without the political progress that develops human resources. Money is not an automated tool.

Lord Bauer, a British economist, noted in a scathing book that socialist Tanzania receives the most foreign aid of any African country, equal to 106.8 percent of its tax revenues and 152.8 percent of its export earnings. Yet its policies have devastated production, helped to spread famine and uprooted millions.

More democratic India, recipient of Asia's largest aid — equal to 16.8 percent of tax revenues and 31.2 percent of export earnings — has become a net food exporter and its industries are working.

The World Food Council finds global food stocks high while ever more millions go hungry. It blames primarily the national governments. Lord Bauer calls them "kleptocracies," which is far more accurate than ideological labels.

All of this should force a new look at policy toward the Third World. It should show up contemptuously trying to stifle a distinction between "friendly authoritarian regimes" — read: Communist dictatorships — and "hostile totalitarianism." They are different versions of "kleptocracy," equally incapable of bringing better standards of living or personal safety and tranquility to the people in whose name they rule and kill.

The United States cannot deliver freedom as it can deliver wheat and guns to other countries, but it can understand that nobody who wants democracy is underserving.

At last it is possible to see a way of combining American moral values, U.S. national interest and the real interest of the many awakening millions. It is to stop nourishing the wars of Mr. Vargas Llosa's "phantoms" and to remember what democracy means — a chance to share power. Then, economic aid could also bring the chance for a better life.

The New York Times

## 'We Are Free to Differ With Any Nation'

By Witness Mangwende

The writer is minister of foreign affairs of Zimbabwe. He made these remarks in a farewell speech last month for outgoing U.S. Ambassador Robert Keely.

HARARE, Zimbabwe — Friendship and mutual assistance among nations are an everyday practice, but the provision of such assistance does not, and should not, alter the quality of that friendship. It should not give a donor nation any right to unduly influence or sway a recipient nation from the pursuit of its own national interests and goals.

And there is no reason for a recipient nation to feel it has to subordinate its own aspirations and direction to the dictates of any one of its benefactors. That the recipients of such assistance should be grateful, we agree. But that they, in return for such assistance, should lose or be expected to surrender any aspect of their freedom of movement, or of their sovereignty? No, we could never agree to that.

Yes, we have heard all these words before. But we must ask ourselves: Have we listened to them? Have we really grasped the full import of their meaning, not only for us in Zimbabwe but for people like us throughout the developing world who have known, and who continue to know, enormous suffering and sacrifice? Our genuine friends should recognize and respect that suffering, and should be sincerely committed to helping us move away from it as quickly and constructively as possible. Their assistance should be offered as a symbol of their belief in us and their commitment to our future development, but not as means of buying our friendship and loyalty. For they, like us, must realize that certain principles are sacred and can never be offered for sale — no matter what prizes are offered.

We are free to differ with any nation, friendly or otherwise, on any issue, should we so decide, basing our differences on our own considered view and perception of that issue.

Surely differences of opinion are permitted, even among friends, without being regarded as hostile acts, deserving of sanctions or punitive action. Surely friends can differ and still remain friends, with each side respecting the other's points of view. That, after all, would be the mark of genuine friendship and proof of a mature relationship between nations.

We are fully aware that to be big and to be noticed a country needs only physical size or military and economic might. But to be great and to be respected a nation needs to display compassion and understanding; not only the willingness but also the ability to consider others' opinions, the ability to listen and to accept the fact that the world and all its problems cannot be seen, let alone understood, from a single point of view. Sadly, those qualities are not always present within us.

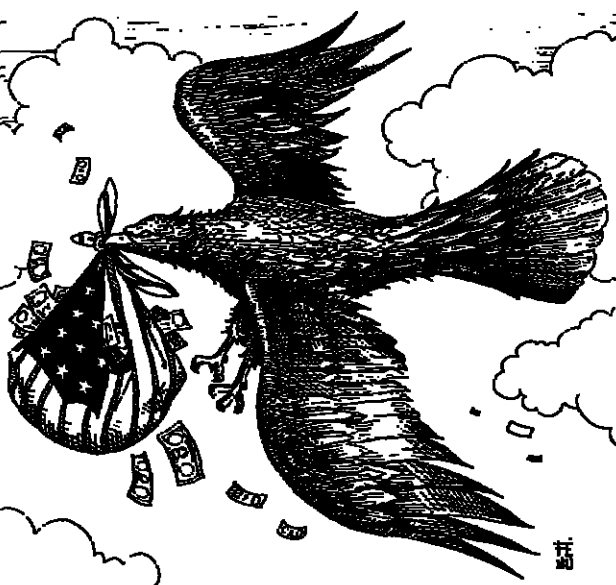
Instead there is a disturbing tendency to oversimplify crucial issues, to see everything in polarities, completely ignoring the vitally important shades and layers that combine to make the whole. Nothing in today's world is so simple. And naive indeed are those who, in their ignorance, insist on casting a blind eye on the reality of that situation.

How can one hope to achieve anything lasting and worthwhile when only extremes are considered, and when those who would be leaders have in fact lost touch with those they presume to lead?

I am reminded of Henry Kissinger's likening of such nations to "heavily armed blind men, feeling their way around a room, each believing himself in mortal peril from the other whom he assumes to have perfect vision." Over time, Mr. Kissinger said, "even blind men can do enormous damage to one another, not to speak of the room."

No country, no matter how good its intentions, can hope to achieve meaningful objectives on its own. Every nation needs the help and support of others if international dialogue, aimed at creating a better and safer world for us all, is to be achieved.

Trying to polarize us into camps of the left or right, trying to force us toward one extreme or the other, merely to fit in with a certain view of things, and then trying to punish us when we refuse to be so labeled, nor are we afraid. We continue to be guided by our principles and ideals, the same hopes and aspirations that have sustained us thus far.



amount of foreign aid can break the vicious circle, Mr. Bursin says. "None of the countries of the region have the means to distribute this money. ... As a result, most of our wealth is left in the hands of a very small part of the population." He points out that in the last three years Central Americans have sent \$15 billion abroad to buy real estate or deposit in banks, nearly twice the \$8 billion in aid over five years proposed by the Kissinger commission.

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The New York Times

Letters intended for publication should be addressed "Letters to the Editor" and must contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

## LETTERS TO THE EDITOR

### Agriculture in Africa

In response to the editorial "Food Reform in Africa" (March 13):

The principal argument of the New York Times editorial is unobjectionable — namely, that one of the main causes of Africa's food shortage is that many African governments have pursued economic policies that discourage rather than encourage an expanding volume of food production. It errs, however, when it states that "the main blame for that falls on the state marketing boards established when they became independent."

State marketing boards were not the creations of independent African governments; most were established during the colonial period. The newly independent states merely continued them, as they have chosen to continue many of the colonial institutions.

State marketing boards provide the mechanism for extraction of a surplus from the rural sector to support the urban sector, a practice with a long history in Africa. The only difference now is that the urban sector is mainly indigenous, whereas previously the surplus was largely con-

## Lobbyists Can Be Disarming

By Amitai Etzioni

WASHINGTON — Military analysts have long understood the need to keep careful watch over the arms industry and the role it plays in shaping American military policy. Yet few people seem to have noticed the disturbing way in which many defense contractors are encouraging the government to neglect preparations for conventional war and thus rely increasingly on nuclear weapons.

Each contractor seeks quite naturally to promote his own weapon system. This means that soldiers, sailors and aviators are neglected. Unlike money appropriated for B-1 bombers, MX missiles and other fixtures of nuclear war, the share of the defense budget dedicated to salaries and fringe benefits provides scant profits for weapons manufacturers.

The result is to reduce conventional strength and thus lower the nuclear "flash point" at which the United States would resort to nuclear force.

Despite the fervent growth of U.S. military spending in recent years, the planned increase in conventional forces has been scaled back time and again to allow for more budget allocations for big new weapon systems. Typically, an air force request last year for 20,000 additional personnel resulted in an increase of 2,000. The share of the defense budget allotted to personnel has been decreasing since 1982 and is expected to continue to fall. Combat-readiness is declining in the army and the air force.

When prodded on this issue, manufacturers concede that their lobbying efforts have much more success when they seek major weapons contracts from Congress than when they try to influence the Pentagon's detailed decisions about such routine items as standard-issue hand grenades and bullets. Key among the big systems that Congress must approve are land-based nuclear missiles, submarines and bombers. Most defense contractors agree that they do their best business when they become the sole producer of such major weapons.

"Anybody can compete in making uniforms or parachutes," a manufacturer said. But if he can win a contract to produce a "big-ticket item," he may corner the market for future "generations" of that system by adding relatively small modifications. Eventually he may "unload" the obsolete version of the weapon overseas. Meanwhile he will be doing brisk business in spare parts.

How does arms industry lobbying work against conventional forces? Contractors mobilize local community leaders and labor unions to put pressure on their elected representatives to get contracts and new business that keeps local plants going. Connecticut and Texas fight on behalf of General Dynamics, for example, while the state of Washington lobbies for Boeing. No district representative lobbies to increase the number of marines, sailors or aviators.

Another form of pressure comes from political action committees set up by corporations to influence election campaigns. In the 1982 elections, United Technologies gave \$211,025, Lockheed gave \$183,530 and General Dynamics came up with \$176,990.

Profit-conscious firms are not alone in encouraging investment in strategic nuclear weapons at the expense of conventional forces. Pentagon officials fear reductions in their budgets and try to hedge against the future by securing contracts for big items that take years to complete and thus bind future budget makers.

Analysts often argue that America can never overcome the Soviet advantage in conventional forces and should thus devote most of its energy and money to maintaining its advantage in technology and nuclear weapons. Yet most experts agree that the most likely way for a nuclear war to start is with the escalation of a limited confrontation between the superpowers in either Western Europe or the Middle East. The longer such a conflict could be limited to conventional warfare, the better the chances that both sides would work out their differences and avoid nuclear war.

Ultimately there is only one way to remove the threat of nuclear escalation: a mutual freeze on nuclear weapons, then a significant reduction of strategic forces. Meanwhile, lobbying pressures must be curbed.

The writer is professor of sociology at George Washington University and author most recently of "Capital Corruption: The New Attack on American Democracy." He contributed this comment to The New York Times.

## LETTERS

### Book

Arguing that the United States is the only country that has the power to bring about a lasting peace in the Middle East, Mr. G. ...

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## Frank Church, 59, Dies; Ex-Senator Was Early Foe of the Vietnam War

By Marjorie Hunter  
New York Times Service

WASHINGTON — Frank Church, 59, a former Democratic senator from Idaho, died Saturday at his home in Bethesda, Maryland. He had been undergoing chemotherapy for cancer of the pancreas.

In his 34 years in the Senate, Mr. Church was a leading, often eloquent spokesman for liberal causes, well as a conservationist and a strong supporter of statehood for Alaska and Hawaii.

But it was primarily in foreign affairs that he made his mark, especially after he became chairman of the Foreign Relations Committee in 1979. He strongly backed the 65 nuclear test ban treaty with the Soviet Union. In 1966, he opposed increasing U.S. involvement in Vietnam.

He was also a vocal critic of President Lyndon B. Johnson by urging an end to the bombing.

"No nation, not even our own," he said, "possesses an arsenal large or a treasury so rich as to mop down the fires of smoldering revolution throughout the whole wakening world."

Frank Church was born July 25, 1924, in Boise, Idaho, the son of a businessman. He entered Stanford University but then went into the navy, where he served as an intelligence officer in Asia in World War II.

After graduating from Stanford, he ran for the state legislature but lost. In 1956, he won a U.S. Senate seat, becoming, at 32, the country's youngest senator.

During the 1960s, as the war in Southeast Asia worsened, he was in the opposition. In 1970, he sponsored a Senate measure to limit deployment of U.S. ground troops in Cambodia, touching off a month-long Senate debate.

Two years later, he and Senator Clifford Case, Republican of New Jersey, fought to end all U.S. military activities in Southeast Asia. Perhaps his most important contribution was in trying to limit U.S. intelligence activities. The Senate Select Committee on Intelligence, established in 1975 under Mr. Church's chairmanship, made nearly 100 recommendations for curbing CIA and its activities such as illegal wiretaps, break-ins, surveillance, harassment of political dissidents, assassination plots against foreign leaders and campaigns to smear U.S. rights activists.

In the spring of 1976, Mr. Church campaigned for three months for the Democratic presidential nomination, making a surprisingly strong initial showing by beating primaries in Idaho, Ne-

braska, Oregon and Montana. He eventually withdrew, however, and endorsed Jimmy Carter.

In the final years of the Carter administration he found himself at odds with the president. In 1979 he demanded immediate withdrawal of Soviet combat troops from Cuba before allowing a Senate vote on ratification of the second treaty with the Soviet Union on limitation of strategic arms.

He lost his Senate seat to Steven D. Symms, a Republican, in the 1980 election. Mr. Church then practiced international law.

■ Jimmy Kennedy, 81,

Popular Songwriter

CHELSTENHAM, England (AP) — Jimmy Kennedy, 81, the Irish-born songwriter whose hits included "The Hokey-Cokey," died here Friday. The more than 1,000 tunes he wrote in 50 years, mostly between the two world wars, included "I'm a Captain," "Red Sails in the Sunset," "Taddy Bopie Picnic" and "South of the Border."

At the start of World War II he teamed up with Michael Carr to write patriotic numbers such as "We're Going to Hang Out the Washing on the Siegfried Line." Last year Mr. Kennedy was awarded the Order of the British Empire.

■ Other deaths:

Kezuo Hasegawa, 76, winner of the top acting prize at the 1954 Cannes Film Festival for his role in "Jigoku-mon" (Gate of Hell), Friday night in Tokyo. He began acting in Kabuki theater at age 6 and retired from the cinema in 1963.

Joseph M.L. Nkomo, 65, retired major general, who became Kenya's first army commander in 1966 and was chief of staff of the Kenyan Army until he was implicated though not charged in a 1971 coup plot, in an automobile accident south of Nairobi.

O. B. Rook, 69, a Central Committee member of the North Korean Communist Party who commanded armies against the Japanese occupation of Korea and against the South during the Korean War, Friday after a long illness.

Alexander Fedotov, 51, the Soviet Union's top test pilot, who established 18 world records for speed and height during his 25-year career, Wednesday while testing a new aircraft.

John F. Mehegan, 63, a jazz pianist and teacher whose four-volume "Jazz Improvisation" is one of the most widely used books for teaching jazz piano. Tuesday of a brain tumor in New Canaan, Connecticut.



Sir Arthur Harris during the opening of the Royal Air Force Museum in London in 1981.

## Sir Arthur Harris, RAF Leader, Dies; Ordered Heavy Bombing of Germany

By William Tuohy  
Los Angeles Times Service

LONDON — Sir Arthur Harris, 91, who as head of the Royal Air Force's bomber command during World War II adopted a program of saturation bombing of Germany, has died.

Sir Arthur, known to Britons as "Bomber," died in his sleep at home in Goring-on-Thames, Oxfordshire, on Friday, his family said. The cause of death was not given.

He was appointed commander-in-chief of the Bomber Command in 1942. At his death he held the rank of marshal of the Royal Air Force.

Under Sir Arthur's command, Britain increased its force of bombers to several thousand and launched night-time raids on German targets. These included the fire raids on Hamburg and the bombing of Dresden.

Historians later indicated that half a million Germans may have died in bombing missions conducted under Sir Arthur's command from 1942 until 1945. The Royal Air Force lost 56,000 men in operations connected with wartime raids over the Continent.

After the war, some historians suggested that the saturation bombing may have been wasteful of men and equipment and did not reduce German morale or the ability of German factories to produce armaments.

Churchill, the wartime prime minister, seemed to distance himself from Sir Arthur after the war, according to historians, when he realized that, from the perspective of the postwar years, the bombing

might be considered as less than a successful program.

Arthur Travers Harris was knighted in 1942 when his bombing strategy was developing. He was one of the few top British wartime commanders who did not receive a peerage after the war.

Some observers have speculated that he was passed over because his

saturation strategy was viewed in postwar years as possibly ill-advised and even morally reprehensible.

Sir Arthur himself never doubted the efficacy of his program and, until the end, defended mass bombing as the most effective way of employing the resources available to the Royal Air Force.

## First Women Officers in 171 Years Graduate From U.K. Military School

The Associated Press

SANDHURST, England — Thirty women officers have graduated from the Royal Military Academy here, becoming the first in 171 years to receive their commission from the school.

"You are following in the footsteps of great men," the Duchess of Kent said Friday in awarding the women their commissions.

A school band played "Thank Heaven for Little Girls" as the 29 cadets of the Women's Royal Army Corps and one from Queen Alexandra's Royal Army Nursing Corps paraded past in green uniforms.

The college, founded in 1813, educated Britain's wartime leaders. Sir Winston Churchill, the World War I commander Earl Haig and the World War II commander Bernard Montgomery and King Hussein of Jordan.

King Hussein's wife, Queen Noor, attended the commencement exercises to see the king's nephew, Prince Talal, graduate.

Captain Bridget Quinlan of the Women's Royal Army Corps said the women now studying at Sandhurst "are integrating very well." She said both men and women cadets "accept each other now and get on with it."

## Nigeria and Guinea Reflect Fragility Of Regimes Unable to Help the Poor

By Clifford D. May  
New York Times Service

CONAKRY, Guinea — Three months ago, a group of Nigerian generals decided it was time to pronounce Africa's only experiment in Western-style democracy a failure. Within hours there were tanks in the streets and padlocks on the doors of political party headquarters.

Last week, a group of colonels and captains in Guinea passed judgment on 26 years of "African socialism." It took them only a few hours to dismantle the pervasive Leninist-model party and state structure that had framed Guinean life since independence from France in 1958.

A few days later, a coup was attempted in another former French colony, Cameroon, which had been as stable as Guinea.

The Guinean takeover followed by one week the death of President Ahmed Sékou Touré, the only ruler independent Guinea had known.

Mr. Touré was a founding father of African independence and his funeral three days before the coup was attended by the most impressive gathering of foreign officials Africa had seen in years. His international stature, his charisma and his well-earned reputation for ruthless reprisals had evidently inhibited the Guinean military from moving until his death.

Nigeria, once part of British Africa, and Guinea have had different experiences. But there are also striking similarities between the two countries and their military coups. Nigeria and Guinea are richly endowed. Nigeria is among the world's leading oil producers. Guinea has large deposits of bauxite, gold and diamonds as well as the headwaters of West Africa's most important rivers.

Yet neither the ousted Nigerian president, Shehu Shagari, nor Mr. Touré found a way to develop those resources to alleviate poverty. In addition, both were perceived as basically honest men who were unable or unwilling to check the corruption of those around them.

"There is in every country, African or non-African, a level of corruption that people will tolerate," said a Western diplomat. "In both Nigeria and Guinea that level was exceeded."

Another common denominator was the dissatisfaction of the armies with their status.

In Nigeria, the police had become a sort of mini-army that challenged the military's authority," said Ejiofor Gray Onobrakpeya, who covered the Guinean coup for the Nigerian newspaper The Guardian.

"Similarly, the army here didn't like the fact that Mr. Touré's security apparatus had taken on such an important role."

Mr. Onobrakpeya also said that in both countries sentiment for change had failed to gain an outlet.

"After Shagari's re-election people felt the same faces were going to perpetuate the same system and they didn't want that," he said.

"Here it was no different. Sekou Touré was dead but his system, which was oppressive and which hadn't accomplished much for most people, was going to carry on and on."

The longing for change may explain public reaction to the coups. In neither Nigeria nor Guinea did the young officers encounter significant resistance from populations that, according to the prevailing wisdom, had taken great pride in their free-wheeling democracy in the first case and in their defiance

independent and anti-colonialist brand of socialism in the other.

On the contrary, the streets of Lagos in January and of Conakry in April were filled with people celebrating their "liberation."

Guineans, too, have noted the parallels between the recent experiences of the two countries.

"The military intervention here was indeed very close to that of Nigeria," said Mohamed Kaba Bangura, an official in Guinea's Ministry of Foreign Affairs. "Both nations were facing the same problems: a wrecked economy, corruption, oppression and hypocrisy."

Why did such problems require the intervention of the military? "Because in many African countries, the army is the only real organization, the only solid institution that exists," said a Western diplomat. "And of course, they have most of the guns."

■ Labor Freedom in Guinea

Guinea's new leaders have decided to restore full labor and press freedoms, Conakry radio said Sunday. The measures, details of which were not included in a broadcast monitored by Reuters in Abidjan, Ivory Coast, appeared to confirm the regime's declared liberal leanings.

## Cameroon's Leader Says Rebels Have Been Beaten

Reuters

ABIDJAN, Ivory Coast — Troops and police hunted rebel soldiers in Cameroon's capital, Yaoundé, and ringed it with roadblocks Sunday after an abortive coup against President Paul Biya in which many people were wounded, Radio Yaoundé said.

Mr. Biya said Sunday night on the radio that loyal troops had broken up Friday's revolt by part of the guard in charge of presidential security.

Rebels had seized the radio station and the airport and surrounded the presidential palace. The radio report Sunday said life was back to normal in Yaoundé and that people were going to markets and churches.

Cameroon was cut off from the

outside world shortly after the revolt began, and telephone and telex lines were still cut Sunday.

The rebel leaders have not been named, but Foreign Minister Félix Tondé M'Boe linked the revolt to the recent trial of former President Ahmadou Ahidjo.

"A good number of the rebels have been arrested," Mr. M'Boe said in an interview with French television during a visit to Paris. "Our inquiries will tell us who was behind this coup attempt."

Mr. Ahidjo has denied being involved in the weekend revolt.

Mr. Ahidjo, a Moslem from the north, became president when Cameroon gained its independence in 1960 and held the office until 1982, when he turned over power to Mr. Biya, a southern Catholic.

## LETTERS TO THE EDITOR

(Continued from Page 4)

be extremely cautious about assuming responsibility for the international economic policies of other nations. The workings of their economies, like America's own, are really far more complex than are likely to realize.

ROBERT S. BROWNE  
Washington

The writer is a senior research fellow in the African Studies Program at Howard University.

### The Art of Cooperation

In response to "The Entire UN Item" (Letters, March 27):

I hope Shirley Hazzard's views not reflect the views of the majority of your American readers. U.S. and American agencies, together with specialized agencies, is a human institution; as such, it is open to criticism on a broad front. What is reasonable is to attack it for corruption, ineptitude and incompetence without being specific.

Like many others, Shirley Hazzard makes the mistake of confusing a body such as UNESCO with a sign country over whose actions an article on the next page, "U.S. Defenders of UNESCO," stated, the United States has played an important part in the work and decisions of UNESCO, including its financial decisions.

Stakes have undoubtedly been made, but the blame must be shared among all those who participated in the decisions. The same applies to the United Nations. The apparatus and the forum provided by the United Nations of its family of organizations are only hope of survival for the man race. While we all have the undeniable right to complain, let us not destroy them because we have not yet mastered the art of international cooperation.

HAROLD DUNNING,  
Versoix, Switzerland

### About Those Deficits

Some European friends claim that the United States is subsidizing its huge budget deficits with money. I disagree. Sooner or later the deficits will be paid by American taxpayers' higher taxes, increased inflation, cheaper exports and more expensive imports.

When they invest in the United States, Europeans and others buy "securities" of America in various ways. Is it America's fault if foreigners consider U.S. stability and stability better than their own? It may be close when real or ideological changes reverse the flow of investments.

As for subsidies, U.S. deficits, arising partially out of efforts to

protect Europe and Japan, subsidize the social welfare systems of those countries. Without the U.S. shield, friends and allies would face unpleasant choices: to increase spending for defense and reduce social welfare or become subject to increased Soviet pressure.

JACOB A. ROCK  
Dhaka, Bangladesh

### Buckley on Jerusalem

Regarding the column "Take King Hussein's Point" (March 28) by William F. Buckley Jr.:

Mr. Buckley slipped a specious comment into an otherwise reasonable column. Why should the United States move its embassy and "recognize the de facto integration of Jerusalem"? The annexation is no more irreversible than the West Bank settlements. Mr. Buckley is merely doing what most American presidents, congressmen and appointed officials have done in the past: looking at the surface of the problem without understanding the intensity of the feelings about Jerusalem in the Arab world.

JOHN E. CUDDERBACK  
Dhahran, Saudi Arabia

### Intimidating the Elderly

Regarding "The Duty of the Old to Die" (Other Opinion, April 3):

To "understand the choices," as Haynes Johnson puts it, is to become aware of the social and economic pressure of feeling unwanted by society. Public statements such as that by Colorado's governor Richard D. Lamm help to create that pressure and could force the chronically sick and invalids to

comply and ask for death. That would be a request for gentle murder, made under pressure.

Murder is killing in the interest of someone other than the person going to die. Murder can be committed gently and under such labels as mercy-killing or euthanasia. That does not make it anything less than murder. All crucial factors must be "good" in the patient's opinion: the time, the degree of comfort, the place, the people around you. The Nuremberg medical trials and their sentences clearly showed that undesired painless killing must be prosecuted and condemned whatever the label.

J.D. van TILL  
The Hague

### Golfing in Spain

Regarding the Weekend feature "Fore, With an Iberian Accent," (March 9) by John Rodas:

Among other omitted golf areas, two offer more courses than the Madrid and Costa del Sol areas, namely the northern Mediterranean coast (Cataluña, Levante and Murcia) and the Cantabrian regions (Galicia, Asturias, Basque country and chiefly Santander).

The sites and scenery of courses in northwestern Spain are among the world's most impressive. Santander's Pedreña lies between the white sandy Cantabrian wild beaches and the snowy peaks of the Cordillera Cantabrica. This unmatchable spot has glorified Spanish golf with world-class players such as Ramón Sota, a former European champion, and his superstar nephew, Severiano Ballesteros.

F. RUBIO ARIAS-PAZ  
Linz, Austria

### In Riyadh



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## Is your portfolio in the right shape?

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"If investment management were just a matter of making the right guesses, there would be even more new names getting into the act every day, and far fewer old names still around."

Jacques Rossier,  
Senior Vice President

However, as Mr. Rossier puts it, the first thing to remember about investment management is that you have to be very clear about your investment objectives. And for that, you also need to know how the external factors and the range of possibilities can affect these objectives. This is why many investors are looking for even more than an ability to make sound decisions when they choose a portfolio manager. They want to know what they're getting into, and they want to make sure their objectives are sound. So a good investment manager has to know his customers as well as his markets. It's a good reason for going to a good bank, with the organizational resources and experience to give you the "up-front back-up" you need.



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## Soviet Steps Up Olympics Criticism

Press Tirades Viewed as Pressure for Better Treatment

By Robert Gillette  
Los Angeles Times Service

MOSCOW — With less than two months remaining before the Soviet Union must formally declare whether it will send a team to the Los Angeles Olympics this summer, the state-controlled press has sharply increased its criticism of U.S. preparations for the Games, suggesting that Soviet athletes might not participate.

Western diplomats in Moscow, however, view the Soviet criticism not as a sign of an impending boycott but as a tactic designed to secure more favorable treatment for the Soviet Union and East European countries by the Olympic Organizing Committee and the U.S. State Department.

Moscow has demanded and received, for instance, special permission for Aeroflot charter flights to go to Los Angeles, as well as the right to anchor a supply ship at Long Beach during the Games.

"This is cool and calculated," a U.S. official said of the Soviet criticism. "Every indication they give that they may not go gives the Los Angeles Organizing Committee

one more reason for granting them more concessions."

The Soviet press has not spelled out any additional concessions that Moscow expects to win from the committee or the U.S. government. The heightened criticism may be meant in part as a warning to the United States not to refuse entry visas to any more of its Olympic officials.

Last month, the State Department barred Oleg Yermishkin, who was to take charge of preparations for the Soviet team in Los Angeles. The department said he was connected with Soviet intelligence.

The deadline for entries in the Olympics is June 2, eight weeks before the Games begin. Once Moscow formally confirms its intention to send a team to Los Angeles, Western diplomats note, the bargaining lever of a potential Soviet boycott in retaliation for the U.S. boycott of the 1980 Moscow Games loses much of its force.

International Olympic Committee leaders continue to be optimistic on Soviet participation in the Games. One high-level committee official, who spoke on condition he not be identified, said that, despite

a statement last week critical of the Games by the chairman of the Soviet and East German national Olympic committees, he had been informed that both countries would attend the Games.

In Los Angeles, the president of the Los Angeles Olympic Organizing Committee, Peter V. Ueberroth, said: "The LAOOC has excellent relations with sports officials from the U.S.S.R., which get stronger as the 1984 Olympic Games get closer. We have every reason to believe that they will complete the preparations they are making for their athletes and will send a full delegation to the Games."

The new Soviet criticism follows the themes of the past two years. Commentators call the Olympic facilities substandard, voice fears of crime, terrorism and anti-Soviet "provocations," criticize commercialism in the Games and question the willingness of American organizers and the U.S. government to abide by the Olympic charter.

In recent days, however, the attacks have become more frequent and have spread beyond sports publications to other newspapers, including the authoritative government newspaper Izvestia.

The Soviet press has complained steadily in the past two years that security measures for the Games appeared inadequate. Now, some Soviet commentators have reversed themselves, complaining instead that Los Angeles and U.S. law enforcement agencies plan heavy security that threatens to spoil the Games' peaceful spirit.

Soviet athletes are being warned that American provocateurs will try to entice them to defect. Moscow is seeking U.S. assurances that defections will not be permitted at the Games.

In the harshest attack thus far on U.S. Olympic preparations, Tass accused the White House of encouraging anti-Soviet groups in their effort to ban Soviet athletes from the Games. The commentary, published in all major Soviet newspapers Friday, was dismissed by a senior U.S. diplomat as baseless.

Attributing its information to the Los Angeles Times, Tass said a White House aide, Michael K. Deaver, had written a letter to organizers of the "Ban the Soviets Coalition," a conservative Southern California group seeking to keep Moscow out of the Olympics.

Tass did not say when the letter was written and did not quote from it. The letter was in fact written almost three months ago. A Jan. 20 Times story did not report any White House encouragement of efforts to ban Soviet participation, but some people considered the mere act of writing to the coalition to be a form of encouragement.



A GIFT OF WINE — Pope John Paul II received a small barrel of wine from a French soldier during a Mass for the military in St. Peter's Square on Sunday.

## An East German Church Discourages Emigration

Reuters

POTSDAM, East Germany — Leaders of East Germany's largest church have urged its followers who are seeking to leave the Communist state to reconsider their plans.

The leadership of the Berlin-Brandenburg district of the Evangelical Church, in a report read to a synod Saturday, expressed regret that six pastors and their families from the district had left for West Germany in the past year.

"We are also concerned that other church workers and parishioners have lodged exit applications," the leaders said. "We know of their hopelessness, distress and fears." They added: "But we appeal to all to remember that the promise and protection of our Lord Jesus Christ guards and keeps us in this land."

The church statement follows an unexpected increase in the number of people allowed to leave by the East German authorities, 15,000 this year — the fastest rate since the Berlin wall was built in 1961. Many East German Christians

are in conflict with the state over military service, compulsory military training in schools and what they see as its one-sided view on disarmament that presents Warsaw Pact nuclear weapons as a factor for peace.

The report said church-state relations had been maintained and that the church's independent attitudes had been respected.

The Evangelical Church is East Germany's largest with 7.7 million followers among the 16.7 million population. Berlin-Brandenburg is one of eight districts of the church and has 1.4 million parishioners.

One of the pastors who left was Dietmar Linke, an important figure in the East German independent peace movement. Church sources said he had been under pressure from the authorities to leave.

■ 38 East Germans to Leave

John Tagliabue of The New York Times reported from Bonn: East Germany will allow 38 of its nationals who took refuge in West German diplomatic missions in Prague and East Berlin to emigrate to the West, the Bonn government spokesman said Friday.

The decision seemed to underscore the desire of the two German states to maintain conciliatory ties even at a time of strained Soviet-U.S. relations.

Officials in Bonn said the agreement had been eased by a financial payment, as is customary in such releases.

The West German government spokesman, Peter Boenisch, emphasizing the awkwardness of the incident for Bonn, issued what he described as an "explicit warning" that East Berlin would not yield to similar pressure in the future.

The announcement came as Chancellor Helmut Kohl met with Günter Mittag, a leading East German economic official who visited the Hannover Trade Fair on Thursday seeking new trade arrangements.

Officials said the East Germans who are seeking asylum, 35 in Czechoslovakia and 3 in East Berlin, would return to their hometowns in East Germany, where official requests to emigrate to West Germany would be granted.

## U.S. Plane Flying in Berlin Corridor Is Shadowed by Soviet Military Jet

By Tyler Marshall  
Los Angeles Times Service

BONN — In the latest of a series of incidents involving the Berlin air corridors, a Soviet military jet shadowed a U.S. commercial aircraft for several minutes, according to an airline spokesman.

Werner Drescher, a spokesman for Pan American World Airways, said that on Thursday crew members of Flight 647 from West Berlin to Frankfurt sighted a Soviet jet flying in front of them in one of the three corridors.

"It then turned away, came up from behind and paralleled the flight for a while before breaking off," he said.

Mr. Drescher said that at no time did the Soviet jet draw closer than the one mile (1.6 kilometers) that is recognized internationally as a safe distance.

Thursday's incident is the second of its kind since mid-February, and it follows intensive Soviet military exercises in East Germany. On Feb. 16, a British Airways flight from Düsseldorf to Berlin was shadowed by a Soviet jet fighter.

The air corridors, which connect Berlin with West Germany, were established when Germany was divided into occupation zones after World War II.

Under terms of the agreement, all four Allied powers are free to use the corridors. But Soviet officials, in connection with recent military exercises, demanded that their pilots be permitted to fly at lower altitudes. U.S. officials described the demand as excessive and abusive. The United States, Britain and France have filed a protest.

Over the years, Soviet planes have occasionally harassed Western commercial air traffic in the corridors, but the reason for their current action is not clear.

## Armenians Issue Threat To Airlines

Reuters

BEIRUT — Armenian guerrillas threatened Sunday to attack airlines flying in and out of Turkey and Arab governments cooperating with Ankara.

The Secret Army for the Liberation of Armenia, ASALA, issued the warning in a statement in Armenian, Arabic and English delivered to a news agency in Beirut.

"We warn all airlines with flights to or from Turkey, that they will be military targets for the attacks of our revolutionaries in Turkey and all parts of the world," it said.

The guerrillas accuse the Turks of massacring 1.5 million Armenians in what is now eastern Turkey during World War I. Turkish governments have denied ordering the killings.

ASALA has claimed responsibility for dozens of assassinations, bombings and other attacks in the last decade.

Separate statements delivered at the same time claimed responsibility for a series of attacks on Turkish diplomats in the Iranian capital, Tehran, late last month.

ASALA also warned Arab governments that have security, military or economic links with the Turkish administration and the support of the United States and Israel in the region.

The statements said ASALA guerrillas had attacked the military attaché at the Turkish Embassy in Tehran, his deputy, and an embassy first secretary on March 28.

Reports from Tehran and Ankara at the time said the deputy military attaché, Ismail Panakian, was seriously wounded; the first secretary, Hasan Seret Oktem, was injured but not seriously hurt, and two other embassy staff escaped assassination attempts.

Turkish officials said one guerrilla was killed as he tried to plant a bomb in a diplomat's car and four armed Armenians were arrested outside the home of another embassy staff member.

ASALA has long had a strong presence in Beirut, where there is a large Armenian community.

## Destruction of Plane Praised

The destruction of a South Korean airliner was praised Sunday by a Soviet deputy defense minister as proof of the Soviet Air Defense Forces' readiness to defend the country, Reuters reported from Moscow.

In an article in the official daily Pravda marking Air Defense Forces Day, the deputy defense chief, Alexander Koldunov, said:

"Their high level of readiness to perform their military duty is shown by examples from history," he said, noting "the termination of the provocation prepared by the U.S. special services using a South Korean aircraft on Sept. 1, 1983."

The 269 people aboard the plane were killed.

The Soviet air defense official said the shooting down of the Boeing 747 airliner was similar to the incident in which a U-2 spy plane was shot down over the Soviet Union in 1960.

The Pravda article followed a report Saturday in the newspaper

Trud in which Soviet fighter pilots complained of frequent spy flights by Western planes in the Arctic and warned that if any intruded into Soviet airspace they would be destroyed.

Fliers at an unidentified northern airport told Trud that NATO jets, reconnaissance planes and even helicopters repeatedly patrolled on the edge of the Soviet air frontier along the Russian Arctic coast.

"If the enemy should think of violating the border of the U.S.S.R., he will immediately be faced with the firepower of the Air Defense Forces," a senior air official told the newspaper.

An air defense general drew a parallel with the shooting down of the South Korean airliner.

The general said the jumbo jet had been sent on a spying mission that had been a "major military-political provocation." He said it showed that Russian air defense pilots in both the Far East and the north had to be on constant alert.

The United States and South Korea have denied Soviet allegations that the airliner was on an espionage mission.

## Union in West Germany Decides Today on Strike

Reuters

BONN — Leaders of West Germany's powerful metalworkers' union will meet Monday to decide whether to call an all-out strike for a shorter working week.

But employers say that the workers, usually seen as among the least militant in Europe, are unlikely to back a strike.

IG Metall, the country's biggest union, grouping 2.7 million workers in steel, engineering and cars, is leading a campaign for a nationwide cut in the working week from 40 to 35 hours without loss of pay.

However, despite three months of negotiations, culminating in last-minute talks with heads of industry in Frankfurt on Friday, the union has made no progress in achieving its demands.

"A strike now looks more likely than a peaceful solution," the union's leader, Hans Mayr, said after Friday's talks.

But employers point to a threefold rise since 1978 in unemployment, now at 2.4 million, and argue that those with jobs are unwilling to gamble their away.

And a recent poll ordered by metalworking industry employers from the Emnid Research Institute said only 20 percent of the union's members were prepared to strike for a shorter week. Under law, 75 percent must vote for a stoppage.

IG Metall has indicated recently that it is prepared to accept a compromise to introduce the 35-hour week gradually, but employers have rejected this, too.

Industry analysts said Mr. Mayr's executive could therefore decide when it meets in Frankfurt on Monday to seek fresh talks or call strikes only in parts of the country where a ballot stood a good chance of success.

An all-out strike by metalworkers would present the country with its worst labor unrest since late 1978, when IG Metall fought and lost a six-week strike in the steel industry over the same issue.

The central issue is how best to ease unemployment, pitting unions and the opposition Social Demo-

cratic Party against the center-right government and employers.

"If the 35-hour week were introduced as a strike, which it won't be, it could create from 1.2 to 1.4 million jobs," said Ernst Breit, chairman of the Trade Union Federation.

But Labor Minister Norbert Blum, a member of IG Metall, said that with the economic recovery at last gathering pace, the effect of the 35-hour week would be like "driving a steamroller over budding spring flowers."

Chancellor Helmut Kohl, facing his first serious industrial test after 18 months in office, has dismissed the demand as stupid, a remark that led the Social Democrats to accuse him of abandoning the government's traditional neutrality in wage bargaining.

In the metalworking industry, slowly emerging from a recession after a record 1,000 bankruptcies in 1983, employers say every hour's cut would swell annual costs by 20 billion Deutsche marks (\$7.6 billion).

They favor a mixture of modest wage raises, more flexible working patterns and retirement at the age of 58 under a government-subsidized plan that offers workers 65 percent of full pay provided they are replaced by an unemployed person.

Union leaders say that would have little effect in heavy industry, where older workers have been the first casualties of cutbacks.

The trade union federation, which groups about 10 million members in 17 unions, has called for sympathy strikes from unions not directly involved in the campaign for the shorter working week.

There are already signs, however, that union solidarity is waning.

The construction union, IG Bau-Stein-Erden, agreed this month to accept a 3.3-percent wage increase, the same as an offer to IG Metall, and freeze discussion on the 35-hour workweek until 1988. It wants instead to continue talks with employers on early retirement.

## 8 Hindus Are Wounded By Attackers in Punjab

Reuters

NEW DELHI — Eight Hindus attending religious meetings were wounded in grenade and gunfire attacks over the weekend in the north Indian state of Punjab, where communal tension remained high as Prime Minister Indira Gandhi traveled abroad.

Three Hindus were wounded Sunday in a grenade attack at a religious meeting near Bhatinda, a town about 120 miles (200 kilometers) southwest of the Sikh holy city of Amritsar. On Saturday, five Hindus were wounded when gunmen fired on a religious gathering near the town.

The attacks were carried out as Hindus gathered to prepare for a major religious festival, Ram Navami, on Tuesday.

Mrs. Gandhi left for Libya and Tunisia on Saturday after appealing to the nation for communal peace. Because of the crisis, she has postponed visits to Egypt and Algeria that would have followed and is due to return Tuesday.

Mrs. Gandhi's departure was followed by a government publicity campaign, with posters calling for national unity displayed throughout Amritsar.

Security forces were patrolling towns in Punjab and Haryana, neighboring states in which more than 125 people have died in two months of Hindu-Sikh clashes. The government widened its detention powers in Punjab last Thursday.

Militant Sikhs are demanding greater religious and political autonomy. They form a majority of the population in Punjab, though they are a minority in Hindu-dominated India.

Sardar Natha Singh, chief whip of the main Sikh party, the Akali Dal, said that he believed the crisis over the party's demands could soon be solved through new talks.

The Indian home minister, P.C. Sethi, appealed on Friday to the

Alkali Dal to resume discussions with the government in an effort to end the violence.

■ Gandhi Leaves Libya

Mrs. Gandhi left Libya Sunday after a two-day visit during which she met with the Libyan leader, Colonel Moammar Qadhafi. Reuters reported from Beirut, citing the official Libyan news agency.

She was accompanied by her

husband, Rajiv Gandhi, and their two children. She also met with Egyptian President Hosni Mubarak and Tunisian President Habib Bourguiba.

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## Los Angeles Bumps Chicago As Second-Largest U.S. City

Los Angeles Times Service

WASHINGTON — Los Angeles has edged out Chicago as the second-largest U.S. city and has more than three million people for the first time, but New York still holds unquestioned first place with a population bigger than both the others combined, according to Census Bureau estimates.

The bureau drew on half a dozen statistical sources to estimate population figures for 1982 that reflect shifts in the size of the 25 largest U.S. cities since the 1980 census.

## Brazilian Court Releases Journalist From Prison

The Associated Press

CURITIBA, Brazil — Juvenio Mazzarola, the journalist whom the press here called "the last political prisoner in Brazil," has been freed following a Brazilian Supreme Court decision that articles he wrote for the weekly newspaper Nossos Tempos were not subversive.

He had been sentenced to three years in prison for articles attacking President João Baptista Figueiredo and military officials for land appropriations around the Itaipu Dam on the Paraná River.

These figures, released Saturday, show the population of Los Angeles rising 53,668, to 3,022,247, a 1.8-percent increase over the official 1980 census. Chicago's population dropped 7,817, to 2,997,155, from the 1980 level of 3,005,072. New York gained 14,353 for a 1982 total of 7,086,096.

New York, which has lost 805,861 inhabitants since the 1950 census, was a temporary exception to the pattern that has prevailed for a generation — growth in Sunbelt cities and shrinkage in older urban centers.

The changes will affect allocations of revenue-sharing funds and other population-based federal formulas. The estimates apply only to populations within official city limits, which are generally well below the totals for the cities and their surrounding metropolitan areas.

Houston pushed Philadelphia from fourth place to fifth with an estimated 3,047,479 increase to 1,725,617.

Baltimore slid two places to No. 12, dropping from 786,741 to an estimated 774,113. Moving up a notch into 10th place was San Antonio, Texas, rising from 786,010 to 819,021, while Honolulu, with an increase of 19,234 to 781,899, moved up one place to No. 11.

# Süddeutsche Zeitung

MÜNCHNER NEUESTE NACHRICHTEN AUS POLITIK · KULTUR · WIRTSCHAFT · SPORT

48. Jahrgang Nummer 2/LW

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**Süddeutsche Zeitung**

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EUROBONDS

Rate Rises, Dollar Swings  
Have Not Slowed Offerings

By CARL GEWIRTZ  
International Herald Tribune  
PARIS — The upward drift in interest rates and the wobbling of the dollar on the foreign exchange market has had little impact on the Eurobond market, where a record \$20 billion of new issues — the bulk of it denominated in U.S. dollars — was floated during the first quarter.

According to Morgan Guaranty Trust, which puts the first-quarter total at \$19.5 billion, dollar issues accounted for 80.3 percent of the new business. Data compiled by Salomon Brothers put the first-quarter total at \$20.7 billion, of which 74 percent was in U.S. dollars.

To put the volume numbers in perspective, it is equal to 40 percent of the total funds raised in the Eurobond market all of last year. If the first-quarter's pace is maintained throughout this year, 1984 activity would top by about 50 percent the previous annual record volume set in 1982.

The only hint in the data that the market was beset by such basic worries as the direction of interest rates comes from the record volume — \$8.1 billion — of floating-rate notes, which, according to Salomon Brothers, accounted for 53 percent of the issues denominated in dollars.

This is the first time floating-rate notes have accounted for more than 40 percent of total dollar-market activity. Because the coupons are reset at frequent intervals, floaters are considered essentially as defensive investments when the interest rate environment is uncertain.

Sterling, which only last year captured third place in the currency breakdown of Eurobond issues, was able to hold its position in the first quarter, behind the Deutsche mark. European currency units were a close fourth.

The picture of the quarter's activity was reflected in the market's calendar of new issues last week, when almost \$1 billion of floating-rate notes were offered.

The biggest of these was a two-part issue for Broken Hill Pty. of Australia to finance its purchase of coking-coal-mine interests from General Electric Co. The issuer, Queensland Coal Finance, is a subsidiary of BHP.

The larger part of the package is \$450 million of 12-year notes, of which \$355 is being offered currently and \$95 million held for offering into the market at a later date. Bank of Tokyo is guarantor of the issue (and has syndicated this obligation among the other institutions participating in the overall \$785-million BHP financing, for which the banks are earning an average 3/4 point over the London interbank offered rate).

The coupon is set at 1/4 point over the average of the bid-offered interbank rate, which in the current market looks generous for a bank of Tokyo guarantee. The same could be said for the 1 1/4 percent front-end commission.

The pricing reflected both the lackluster state of the market and the fear that investors would regard this as a project loan, which it is, and would need some inducement to buy the paper. By the end of the week, however, it was clear that this was not necessary as the notes traded at a very thin discount of 15 basis points at 99.85. A basis point is one-hundredth of one percentage point.

In part this reflected the generous terms and the fact that a substantial part of the issue was preplaced — meaning that allotments to co-managers and underwriters would be small. That sent co-managers and underwriters scurrying to buy paper they had sold but may not receive.

Despite the squeeze on co-managers and underwriters, the \$95 million reserved for a tap will be held for a later, indefinite date. The companion offering, also for 12 years, is for \$46 million and is backed by a letter of credit from the Bank of America. Interest is set at 1/4 point over Libor and holders can request redemption at any semiannual interest-payment date. This perpetual "put" option was deemed very attractive and these notes, for sale in Asia, ended the week at par. Commissions totaled only half a percentage point.

Participation in both offerings is denominated in minimum lots of \$10,000. Dai-ichi Kangyo Bank, the largest in Japan, offered \$150 million of 12-year notes with interest set at 1/4 point over the average bid-offered interbank rate. Despite the 1-percent front-end commission, the terms were widely regarded as tight and the notes ended the week at 99.10. Bank of Montreal's \$250 million 12-year notes, paying 1/4 point over three-month Libor, ended the week at 99.10. (Continued on Page 9, Col. 4)

Oil Refiners Girding for a Worldwide Shakeout

By Bob Hagerty  
International Herald Tribune

LONDON — For oil refiners, there is little sign of relief. Despite three years of plant closures and the recent upturn in demand for oil products, worldwide capacity remains far above requirements. Complicating matters, huge refining projects in the oil-producing countries are beginning to come into production.

With new capacity opening as fast as obsolete refineries can be retired, oil executives say the imbalance is likely to persist for years. In the meantime, says Robert Wilhelm, head of refining and marketing for Exxon Corp. in Europe, "It's going to be a very brutal business."

The easy refinery closures already have been made. In the next few years, major oil companies will be choosing between sustaining further losses or abandoning major markets. Some smaller refining companies will struggle against extinction. Governments, for their part, will have to weigh the benefits of cheaper energy against the dangers of losing capacity in an industry of strategic importance.

In a buyer's market, the refiners of the Organization of Petroleum Exporting Countries will be scouring worldwide for sales. But most oilmen agree that Europe is, as one put it, "the most permeable" because of its proximity to the Middle East and its relatively low barriers to imports of oil products.

Already, OPEC countries have begun to set up distribution outlets in Europe. Kuwait Petroleum Corp. has bought most of Gulf Corp.'s European refineries and gasoline stations. Saudi Arabian interests have bought the Italian marketing operations of Standard Oil Co. (Indiana). And Venezuela has set up a joint venture with Veba Oil AG to refine and sell Venezuelan crude in West Germany.

Meanwhile, the Soviet Union, by far the biggest exporter of oil to Europe, is pushing up sales of gas as a replacement for oil products. So far, the European Community has taken no action to stem the rise in imports, though the EC Commission did warn last year against the potential danger of becoming heavily dependent on one or two countries.

In Italy, where the problem of surplus and obsolete refineries is especially acute, one small refiner is asking the government to limit imports of oil products to 20 or 25 percent of the market. Genoa-based Gruppo Garrone warns (Continued on Page 9, Col. 1)



A view of the ESO Italiana refinery in Augusta, Italy.

In Italy, the Industry Is Under Siege

By Bob Hagerty  
International Herald Tribune

GENOA — The executive offices of Gruppo Garrone squat in a valley on the outskirts of Genoa, beneath the refining company's prime asset: a jumble of oil pipes, storage tanks and smokestacks lit by the 50-foot flame of a gas flare.

The smoky setting seems appropriate. Italy's oil refiners are living under siege. Nuclear plants, coal, Soviet gas and Arab oil products are encroaching on the Italian refiners' traditional markets. Usage of refining capacity stands at about 50 percent. The oil industry association, Unione Petroliera, estimates industry-wide operating losses over the past three years at 5 trillion lire (\$3 billion). And Achille Albonetti, president of the association, describes the government's energy policy as "unbearable."

In sum, for viewing a refining industry in ruins, Italy is hard to beat. The problems stem from Italy's past success as a major refining center and its slow-

ness in adapting to the industry's new order. For decades, Italy's refiners thrived on their Mediterranean location: ideal for processing crude oil from North Africa and the Middle East and passing on higher-value products to Northern Europe.

Now the oil-producing countries are refining more and more of their own crude. They are becoming rivals instead of customers. At the same time, with demand depressed, Northern Europe no longer needs Italy's spare refining capacity.

For the three giant Italian refineries that were built mainly to serve foreign markets, there is nowhere to turn but inward — to a notoriously glutted market.

The buildup of this towering overcapacity has been evident for more than a decade. Since 1973, British Petroleum Co., Royal Dutch/Shell, Conoco Inc., Standard Oil Co. (Indiana) and Gulf Corp. All have abandoned their refining and marketing operations in Italy. Standard Oil of California's (Continued on Page 9, Col. 2)

Rate Message  
Is Sent by Fed

Board Indicates Acceptance  
Of New Structure of Fees

By John M. Berry  
Washington Post Service

WASHINGTON — The past three or four weeks have been a confusing time in financial markets even for the experts. Rumor has chased rumor, particularly about what the Federal Reserve would do next. Even officials at the Fed have been surprised by some of the market gyrations.

During this period, the demand for credit remained very strong, while most of the latest statistics underscored the continued expansion.

U.S. CREDIT MARKETS

At week's end, the federal funds rate — the interest that banks charge on loans to each other — appeared to be settling back toward 10 1/4 percent after reaching nearly 11 percent a few days earlier. Few analysts think that the Fed expects it to bounce back up as a result of the discount-rate increase.

The increase in market interest rates dates back to about the beginning of February, but it intensified after the first week in March. As the usual flow of economic data for February began to become available, it became clear that it had been an exceptionally strong month. Output rose significantly, while sales stayed close to the very high levels reached in January. Economists began to make upward revisions in their forecasts for the entire first quarter.

The Fed emphasized that wide spread in its announcement, an indication it wanted the increase to be seen as following, rather than leading, the market.

Nevertheless, the increase served notice that the Fed is comfortable with the new, higher structure of market interest rates, which includes three-month Treasury securities yielding close to 10 percent. The prime lending rate at major commercial banks also was raised last week to 12 percent from 11 1/2 percent.

Some financial market analysts have predicted that, if the Fed raised the discount rate, given current market conditions, it would drive up the important federal

U.S. Consumer Rates  
For Week Ended April 6

Passbook Savings	5.50 %
Top Government Bonds	10.04 %
Top 20-Bond Index	10.04 %
Money Market Funds	9.03 %
Dollar's 7-Day Average	9.03 %
Bank Money Market Accounts	8.93 %
Bank Rate Monthly Index	8.93 %
Home Mortgage	12.70 %
FIR II average	12.70 %

funds rate, and perhaps other market interest rates as well, by the amount of the discount-rate increase.

U.S. Makes Gains in High-Tech Talks With Japan

By William Chapman  
Washington Post Service

TOKYO — The United States appears to have won at least limited victories in a months-long campaign to win access for American companies to Japan's fast-developing high-technology markets.

Proposed legislation governing computer software programs appears to have been shelved, partly in response to U.S. objections that it would have endangered American firms' copyright protection. And a measure governing computer-information networks was approved by the Japanese cabinet Friday after some provisions offensive to the United States were removed. U.S. officials said they still have some complaints.

Both cases were part of a trade dispute that once had threatened to bring about U.S. retaliation for what was perceived as Japan's effort to insulate high-technology markets from foreign companies.

In terms of potential sales value for American companies, both cases overshadowed other current trade conflicts, including the latest arguments over imports of U.S. farm products, including the now-resolved issue of beef.

U.S. officials had charged that Japan was attempting to erect new barriers against foreign companies. In the case of computer software, the Ministry of International Trade and Industry originally proposed legislation that would treat software as an industrial product, with a protection from copying for only 15 years.

The United States protested that the trade ministry's bill violated two international conventions that generally treat software as an intellectual work, subject to 50 years of copyright protection. That also was the view taken by an agency of Japan's Education Ministry.

The issue has apparently been quietly shelved. The computer-information network issue has not been resolved entirely, but some of the more offensive proposals have been removed, U.S. officials said.

At stake are what Japan calls "value-added networks," the systems that enable computers to exchange data with each other. Experts expect such systems to enjoy an explosive growth and American giants like International Business Machines Corp. and American Telephone & Telegraph Co. are eager to introduce products in Japan.

The Ministry of Posts and Telecommunications originally proposed a measure that would have restricted the field to companies having no more than half their financing from foreign companies. That would either have eliminated foreign companies or forced them into joint ventures with Japanese concerns.

The measure was stripped of the ownership provision and was approved by the Cabinet Friday in a form more acceptable to the American side. However, it still includes a section permitting the ministry to reject applicants on certain grounds.

The measure was stripped of the ownership provision and was approved by the Cabinet Friday in a form more acceptable to the American side. However, it still includes a section permitting the ministry to reject applicants on certain grounds.

U.S. Share of World Borrowing Rises Sharply

By Carl Gewirtz  
International Herald Tribune

PARIS — International bank lending is reported to have almost doubled in the first three months of this year from the first quarter of 1983 but, in sharp contrast to past experience, the biggest taker of funds was the United States.

According to data published by Morgan Guaranty Trust Co., the 1984 Eurocurrency bank credits rose 1 percent from the year-ago quarter to \$50.1 billion. But 70 percent of this total, or \$35.2 billion, was denominated in U.S. dollars.

That share is almost double the previous high of 41 percent set in 1981 when the United States — as the just-completed first quarter — was also going through a merger largely financed by international bank loans.

By contrast, last year U.S. borrowers accounted for only 17.5 percent of total borrowing and in 1982 for only 7.6 percent.

Despite the obvious liquidity of the international market, fewer funds were lent to developing countries. Significantly, the decline is gaining pace from 1982, when Mexico's temporary moratorium on loan repayments triggered the Third World's debt crisis.

Lending to these countries in the first quarter totaled \$10.2 billion, down 34.5 percent from a year earlier. For all of last year, lending to developing countries was down 21 percent from 1982.

Lending to Latin America in the latest period dropped 32 percent to \$6.7 billion and the bulk of this — \$6.5 billion — was an "involuntary" refinancing for Brazil.

While the debt crisis in the Philippines has not spilled over to taint

the entire region, as happened in Eastern Europe when Poland ran into difficulties, lending to Asia dropped 35 percent in the first quarter to a total of \$2.6 billion. To this must be added the Asian credits that were dressed up as capital market transactions in the form

of floating-rate notes. But even including the doubling of their capital-market issues, which totaled \$78 billion, lending to Asia dropped by 20 percent from the year-earlier quarter.

Lending to the Middle East and Africa were more than halved to \$863 million while loans to the East European bloc more than doubled to \$579 million.

Currently, there are no major loans under way. The Irish last week proposed revised terms to lenders to renegotiate a seven-year, \$500-million loan arranged last June. Lenders then were given a choice of tying interest to the London interbank offered rate (1/2 point over for the first three years and 3/4 point thereafter) or the prime rate. Because there are more profits for banks using the prime rate, more than three-quarters of the loan was priced over that rate — and in fact, very little of that portion of the loan has been drawn.

As terms for borrowers have improved considerably from last year, Ireland is seeking to have the maturity extended one year, the Libor margin cut by 1/4 point and the margin on the prime portion cut to five basis points from the original 25. A basis point is one-hundredth of a percentage point.

The most controversial part of the Irish proposal is a plan to limit the alternate pricing to prime, the so-called "cap" over the rate for 90-day certificates of deposit, to 90 basis points from the original 125.

For lenders who object to the low 90 basis-point cap, which would be precedent setting, Ireland is proposing a sliding cap of 100 basis points for the first three years, 105 basis points for the next three years and 110 for the final two years. However, lenders insisting on this more expensive formula are offered no assurance on the loan ever being drawn or, if so, prepaid.

Still unsettled is a request by non-U.S. banks that the CD rate be set as the average of several reference banks that includes lenders other than money-center banks. That would raise the CD base rate.

The new terms will also allow banks to sell loan portions to institutional investors as promissory notes with different maturities and interest rates.

As a renegotiation fee, Ireland is offering 15 basis points for the prime portion and 20 for the Libor segment.

Electricidade de Portugal, which is raising the equivalent of \$100 million, also is allowing participants to sell short-term paper in its name. The seven-year loan will be split evenly between dollars, with interest at an undisclosed spread above prime rate, and European currency units at an undisclosed spread above the ECU interbank rate. The subparticipations will be sold as six-month notes.

Disillers Co. is seeking \$250 million via a seven-year revolving credit to finance its purchase of Somerset Importers Co. from Esmark Inc. Interest will be set at 1/4 point over Libor and a commitment fee of 1/4 percent will be paid on undrawn portions.

Banco di Napoli, which is tapping the sterling market, increased its eight-year loan to £75 million from the initially indicated £50 million. Interest is set at 3/4 point over the interbank rate for the first two years and 1/4 point over thereafter.

CURRENCY RATES

Local interbank rates on April 6, excluding fees.  
Official foreign exchange rates, Brussels, Milan, Paris, New York rates at 4:00 pm EST.

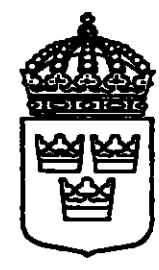
Currency	Per U.S.	Currency	Per U.S.	Currency	Per U.S.
Australia	1.482	Swiss	1.482	Yen	136.14
Belgium	36.46	Thai	20.46		
Canada	1.298	West German	2.363		
Danish	6.46	French	6.55		
Deutsche	6.55	Italian	1.366		
Dracma	200.48	Japanese	163.60		
Florin	20.36	Spanish	166.37		
Franc	6.55	Swedish	4.66		
Mark	6.55	Swiss	1.482		
Shilling	13.76	U.S.	1.00		
Yen	136.14				

SYNDICATED LOANS

Loan	Amount	Interest	Term	Lead
Algeria	\$100 million	12 1/2 %	5 years	Bank of Algeria
Argentina	\$500 million	12 1/2 %	5 years	Bank of Argentina
Australia	\$100 million	12 1/2 %	5 years	Bank of Australia
Belgium	\$100 million	12 1/2 %	5 years	Bank of Belgium
Canada	\$100 million	12 1/2 %	5 years	Bank of Canada
Danish	\$100 million	12 1/2 %	5 years	Bank of Denmark
Deutsche	\$100 million	12 1/2 %	5 years	Bank of Germany
Dracma	\$100 million	12 1/2 %	5 years	Bank of Greece
Florin	\$100 million	12 1/2 %	5 years	Bank of Hungary
Franc	\$100 million	12 1/2 %	5 years	Bank of France
Mark	\$100 million	12 1/2 %	5 years	Bank of Italy
Shilling	\$100 million	12 1/2 %	5 years	Bank of Sweden
Yen	\$100 million	12 1/2 %	5 years	Bank of Japan

NEW ISSUE

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Samuel Montagu & Co. Limited  
Morgan Guaranty Ltd  
Swiss Bank Corporation International Limited  
Westdeutsche Landesbank Girozentrale  
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Skandinaviska Enskilda Banken

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March, 1984







## NEW EUROBOND ISSUES

Issuer	Amount (millions)	Mat.	Coup. %	Price	Yield at offer	Price end week	Terms
<b>FLOATING RATE NOTES</b>							
Bangkok Bank	\$ 50	1994	1/4	100	—	—	Over 6-month Libor, Redeemable at par in 1992. Commission 0.65%.
Bank of Helsinki	\$ 50	1999	1/4	100	—	99.45	Over 3-month Libor, set monthly and paid quarterly. Minimum coupon 50%. Collateral at par after 18 months and redeemable at par in 1994. Commission 0.65%.
Bank of Montreal	\$250	1996	1/4	100	—	99.60	Over 3-month Libor. Minimum coupon 50%. Collateral at par in 1989. Commission 0.50%.
Dai-ichi Kangyo Bank	\$150	1996	1/4	100	—	99.10	Over mean of bid and offered rates for 6-month Eurodollars. Minimum coupon 50%. Collateral at par in 1985. Payable May 10. Commission 1%.
Queensland Coal Finance	\$450	1996	1/4	100	—	99.85	Over mean of bid and offered rates for 6-month Eurodollars. Minimum coupon 50%. First call at par in 1985. \$355 million issued initially and \$95 million reserved for top. Commission 1.75%.
Queensland Coal Finance	\$ 46	1996	1/4	100	—	100	Over 6-month Libor. Minimum coupon 50%. Redeemable at par on any interest payment date. Commission 0.50%. Issued in Asia.
Vicenza Int'l	\$ 75	1996	1/4	100	—	—	Over mean of bid and offered rates for 6-month Eurodollars. Minimum coupon 50%. Redeemable at par in 1992 and 1994, and callable at par in 1987. Commission 1.85%.
<b>FIXED-COUPON</b>							
Citicorp Overseas Finance	\$100	1999	11 1/4	100	11 1/4	97.75	Initial maturity 3 years, after which terms will be renegotiated for a period from one to twelve years.
Comsat Int'l	\$100	1991	12 1/4	100	12 1/4	97.00	Redeemable at par in 1989, and callable at par in 1993. New terms to be set every 3 years.
GTE Finance	\$ 75	1996	12	100	12	97.50	Callable and redeemable at par in 1987, 1990 and 1993. New terms to be set every 3 years.
ITT Financial	\$100	1996	11 1/4	100	11 1/4	98.38	Callable and redeemable at par in 1987, 1990 and 1993. New terms to be set every 3 years.
Morgan Guaranty	\$150	1989	12 1/4	100	12 1/4	98.39	Noncallable. Deposit notes.
Newfoundland	\$ 75	1991	13	100 1/4	12.94	100.88	Noncallable.
Statoil	\$100	1988	12	100	12	99.00	Noncallable.
Toronto Dominion	\$ 50	1989	12 1/4	100	12 1/4	98.25	Noncallable. Deposit notes.
GMAC Overseas Finance	DM 50	1989	6 1/4	100	6 1/4	—	Private placement.
New Zealand	DM 250	1991	7 1/4	100	7 1/4	98.88	Callable at 101 in 1989.
World Bank	DM 300	1992	7 1/4	100	7 1/4	98.63	Noncallable.
Council of Europe	£ 50	1992	11 1/4	100	11 1/4	98.13	Noncallable.
Canadian Imperial Bank of Commerce	CS 60	1989	12 1/4	100	12 1/4	97.63	Noncallable.
Nippon Credit Bank Finance	ECU 50	1991	11	100	11	—	Sinking fund will redeem half the issue after 6 years.
<b>EQUITY-LINKED</b>							
Ajinomoto	\$100	1999	open	100	—	104.50	Coupon indicated at 3%. First call at 103 in 1989. Conversion of an anticipated 5% premium increased from \$80 million. Terms to be set April 10.
Nippon Sheet Glass	\$ 25	1994	3 1/4	100	3 1/4	—	Redeemable at 102.50 in 1987. Convertible at a 3.5% premium.
Onoda Cement	\$ 30	1989	open	100	—	—	Coupon indicated at 7 1/4%. Each \$5,000 bond with one warrant exercisable into an equal amount of the company's shares at an anticipated 25% premium. Terms to be set April 10.
Tanwa	DM 80	1989	open	100	—	98.00	Coupon indicated at 3 1/4%. Each 5,000-mark bond with one warrant exercisable into an equal amount of the company's shares at an anticipated 25% premium. Payable May 9. Terms to be set April 12.
Toh Fuel	DM 25	1989	open	100	—	98.00	Coupon indicated at 3 1/4%. Redeemable at par in 1989. Each 5,000-mark bond with one warrant exercisable into an equal amount of the company's shares at an anticipated 25% premium. Terms to be set April 10.
Tsumura Junferdo	DM 100	1989	3 1/4	100	3 1/4	—	Callable at 101 in 1987. Each 5,000-mark bond with a 3-yr warrant and a 5-yr warrant, each exercisable into 118 shares of Tsumura at a 25% premium.

## Oil Refiners Gird for Worldwide Shakeout

(Continued from Page 7)

European governments will be subject to "blackmail" if they let themselves become as dependent on OPEC products as they once were on OPEC crude.

"The government has to do something," insists Alberto Ferrero, a Garrore director.

In Ireland, the government did something, and wound up in the European Court of Justice.

The four major oil companies that owned Ireland's only refinery, Whitegate, near Cork, agreed in 1981 to bulldoze the 25-year-old plant. Instead, the government bought the refinery at a scrap dealer's price and has kept it running, profitably, ever since.

Irish officials say they do not want to be totally dependent on the industry of foreign nations when we meet oil shortage comes along, they say, owning refinery capacity increases flexibility to cope with a crisis.

Such strategic arguments fail to impress Ireland's independent oil companies, which are required to supply products from the refinery at premium prices. The companies are using the government in European court, arguing that the enforced purchases contravene the Treaty of Rome.

By and large, the major private oil companies in Europe already have slashed capacity at their most uneconomic plants. Gulf and Standard Oil Co. of California have pulled out from most European ventures. The rest, led by Royal Dutch/Shell, British Petroleum Co. and Exxon, are investing billions of dollars in improving the efficiency and flexibility of their refineries.

The European market still has potential, says a senior BP executive, "so long as you're prepared to be ferociously competitive."

The majors can temporarily offset losses on refining with profits in their other businesses, notably reduction of crude. Such ferocity is not an option for small refiners at have no other major operations.

"We are trying to stay alive," says an official at ISAB SPA, a refinery in Sicily (among the most modern in Europe) has lost out of its former business of processing oil for OPEC countries.

A large share of Europe's refining dinosaurs belong to government-owned companies, especially in Italy and France. For political reasons, closure is extremely difficult.

In other parts of the world, the business of adapting is proceeding much more quickly.

Because Japan depends on imports for nearly all its crude oil, it is especially vulnerable to resupply from suppliers demanding to sell more products along with their crude.

But Japan's stringent air-pollution laws make only certain fuels

acceptable, complicating matters for importers. In addition, the government is orchestrating a consolidation of the domestic refining industry designed to create fewer, more competitive companies.

While OPEC probably will make some inroads, a senior British oilman says, "the Japanese will make it difficult."

Singapore's refining industry, the world's third-largest after Houston and Rotterdam, is losing business as Indonesia refines more and more of its own oil. So the Singapore refineries are battling for scarce business elsewhere, notably from China.

U.S. refiners have a similar problem with the growing strength of competitors in Mexico and Venezuela. About 100 U.S. refineries, many of them small, have closed over the past three years. Alarmed, the American Independent Refiners Association is asking Congress for tariffs on imports, though Andrew Hill, president of the group, says he is not confident of success.

While they make life more difficult for the likes of Mr. Hill, most of the new OPEC refining projects are likely to produce heavy losses themselves for years to come, according to a recent study by Tri-chem consultants of London.

## Italy's Refining Under Siege

(Continued from Page 7)

Chevron unit is also expected to pull out.

Instead of closing, however, their refinery interests generally were sold to Italy's state-owned Agip. As a result, Agip's share of the oil products market has grown to about 45 percent from less than 20 percent 10 years ago. In an unprofitable industry, such growth has disturbing consequences.

The answer, almost everyone agrees, is to close refineries. The question is which ones. Among the large refineries considered least efficient are those at Trieste, Venice, Rome and Ravenna. But the decision on whether to close such refineries depends as much on its location and on politics as it does on efficiency.

The industry is awaiting a long-overdue government report expected to give guidelines on which sorts of refineries should close. The refiners also are waiting for the government to redress their grievances.

Chief among these, refiners say, are that the government:

• Imposes lighter inventory requirements on importers of oil products.

• Raised the excise tax burden on refiners in early 1983.

• More recently has delayed what were supposed to be automatic increases in heating and fuel oil prices under a system designed to link Italian prices to prevailing European levels.

According to a recent study by Tri-chem consultants of London. Many oilmen agree. In some cases, the idea is more to build up local industry than to make money.

At the same time, however, the OPEC countries risk undermining the price of crude oil, some oilmen say.

Saudi Arabia and Kuwait, whose export projects are the biggest, are deeply conservative and considered unlikely to start a price war deliberately. In a glutted market, though, OPEC countries may have to offer buyers some incentive to switch from their traditional suppliers. At any rate, buying assets from Western companies means preserving refineries that might otherwise die.

Perhaps more important, OPEC has no mechanism for controlling oil-product prices. The exporter group has had a hard enough time preventing blatant discounting on crude. Monitoring the far more splintered product market would be vastly more complicated.

"It's one thing to say you won't cut prices," says Martin Orlean, an oil analyst at the London consulting firm of Joe Roebor Associates. "It's quite another thing to bring the trick off."

"The government's credibility is zero," fumes the association's Mr. Albionetti. Until the government improves matters, he says, the refiners will not help formulate an industry-wide rescue plan. "We are not going to give any help in planning, we are not going to give up any options as long as this situation continues," Mr. Albionetti says.

While that struggle rages inconclusively, companies like Garrore must get on with formulating their own survival plans.

Garrore, a family-owned company formed in 1931, used to devote 80 to 90 percent of its capacity to processing crude for other companies short on refining capacity of their own. As that business rapidly dried up, Garrore must find new outlets. It sends its heavier fuels through pipelines to the industrial areas of the Po River valley. To sell its gasoline, Garrore has built up a network of 350 filling stations and is trying to buy more.

Still, the situation is precarious. Garrore is arguing publicly that the government should limit imports of oil products to preserve a large domestic industry. Such pleas seem likely to multiply. How the government will respond is unclear. But even without government protection, Garrore will not be the first refiner to give up, according to Marcello Grandi, manager of the crude and petroleum products division. "I believe we have the possibility of surviving."

## Buyout Group Lifts Bid for U.S. Industries, Exceeding Hanson's

By Bob Hagerty  
International Herald Tribune

LONDON — A group of managers at U.S. Industries Inc. has raised its bid for the company to \$489.6 million, topping a bid from Hanson Industries Inc., the U.S. arm of London-based Hanson Trust PLC.

The management group said late Friday that it is offering \$24 apiece for U.S. Industries' 20.4 million

common shares outstanding. In February, the group bid \$20 a share, but early last week Hanson stepped in with a bid of \$22 a share, or a total of \$448.8 million.

A group of independent directors at U.S. Industries was understood to be meeting Sunday to consider the new bid. Hanson officials were not available for comment.

The management group proposes to take Stamford, Connecticut-based U.S. Industries private

through a leveraged buyout. Under such transactions, a group finances the purchase of a company by using its assets as collateral.

Both Hanson and U.S. Industries are industrial conglomerates. Both are involved in building materials, footwear, food processing and home furnishings. U.S. Industries' activities also include industrial equipment for the auto industry. Hanson's operations, about equally split between Britain and

the United States, include catering, brewing equipment and batteries. U.S. Industries recorded 1983 net income of \$33.7 million on sales of \$1.1 billion. Hanson Trust had profit after tax and minority interests of \$62.8 million (\$90 million) on sales of \$1.48 billion in the year ended last Sept. 30.

Earlier this year, Hanson paid \$247 million to acquire London Brick PLC, Britain's biggest maker of bricks. London Brick's board

strenuously opposed the move, and Hanson was only after raising its bid twice.

Hanson officials recently have indicated an interest in expanding their North American operations, which had sales of about \$1.3 billion in the latest fiscal year. In Hanson's most-recent large acquisition in the United States, the company paid \$180 million for McDonough, a footwear, building materials and tools concern.

## Eurobond Offerings Heavy Despite Rate Rises, Dollar Swings

(Continued from Page 7)

week at 99.60. But for managers, as was the case with the Dai-ichi issue, this left a thin 10 basis points in commissions (which for Montreal totaled 50 basis points).

The other two floaters generated little enthusiasm. Bank of Helsinki offered \$50 million of 15-year notes (which can be redeemed in 10 years) at 1/4 point over three-month Libor. That rate is to be reset monthly. Vizeya International offered \$75 million of 12-year notes redeemable after eight or 10 years at 1/4 point over the mean bid-offered six-month interbank rate.

This week, Bangkok Bank, the largest privately owned bank in Thailand, will tap the market for \$50 million. Its 10-year notes will be retractable at the option of investors to eight years. Interest will be a thin 1/4 point over Libor and front-end fees will total 65 basis points — terms widely regarded as too tight.

In the fixed-coupon market, seven dollar issues totaling \$675 million were offered last week as borrowers rushed to tap the market before coupons rise further.

Short-term U.S. interest rates continued to rise last week, culminating late Friday in the long-expected increase in the discount rate. New York bond prices staged a late rally after the news was announced and the dollar sagged a bit, indicating both markets had fully discounted the move. Yet to

be answered is the question of whether the half-point rise in the discount rate completes the current round of rate tightening or whether there is more to come.

The fact that three of last week's borrowers of fixed-rate funds were banks suggested to some analysts that the betting is on further increases, because the banks would not be looking to lock in fixed costs if they expected rates to be stable or decline.

Morgan Guaranty's London branch is offering \$150 million of five-year deposit notes bearing an annual coupon of 12 1/4 percent. The notes were quoted Friday at a discount of 1 1/4 points (less almost the full 1 1/4-percent commission), at which price the effective yield is 12.74 percent, equal to what five-year U.S. Treasury paper was yielding at week's end. Triple-A though Morgan is, it would still have to pay more than the U.S. government to raise funds in the New York market.

The terms were especially attractive for the bank when compared with the 13-percent five-year London interbank rate — what the bank would have to pay to pull in a five-year deposit. Of course, investors making a deposit with Morgan must wait for five years to get their money back whereas these deposit notes can be traded for cash on the secondary market whenever desired.

While Morgan's terms were

tight, Citicorp's were out of sight. Trying to tap the short end of the market, where analysts believe there is plenty of liquidity, Citicorp offered \$100 million of 15-year paper with a coupon fixed for the first three years at 11 1/4 percent. Thereafter, the coupon will be reset for a period from one to 12 years. The initial coupon was deemed unattractive and the paper tumbled to 97 1/4.

GTE Finance's \$75 million of 12-year bonds bearing a coupon of 12 percent ended the week at 97 1/4 and ITT Financial's \$100 million of 12-year bonds bearing a coupon of 11 1/4 percent were quoted at 98 1/4. The coupons on both issues are for an initial three-year period and new terms will be set every three years thereafter.

Toronto Dominion's \$50 million of five-year deposit notes bearing a coupon of 12 1/4 percent ended the week at 98 1/4.

Comsat, which offered \$100 million for seven years at 12 1/4 percent, ended the week in worse condition with a three-point discount at 97 1/4. ITT was first to launch its paper last week and the mispricing of that issue contributed to the mispricing of the others.

One banker attributed the mispricings to the fact that issuing houses are top-heavy with "corporate-finance" people whose only concern, in an increasingly competitive environment, is to win mandates for new business. The fact

that the new business does not sell is another department's worry. "The madness will end when management decides it's in business to make money and not just to win mandates," the banker said.

The two exceptions to this trend were Statoil's \$100 million of four-year notes (a swap into floating-rate dollars), sold at par bearing a coupon of 12 percent, which were quoted at 99, and Newfoundland's \$75 million of seven-year notes bearing a coupon of 13 percent.

The Newfoundland paper was offered a week earlier and widely shorted by traders who misunderstood the single-A rating of the province or its long-time popularity with Eurobond investors. In the end, it was priced this week at 100 1/4, reducing the yield to 12.94 percent, and ended the week at 100 1/4 as traders who a week ago had shorted the issue scrambled to find paper to cover those sales.

West German bankers set an April calendar of 1.9 billion DM. The last of the April calendar was New Zealand's 250 million DM of seven-year notes, offered at par bearing a coupon of 7 1/4 percent, and GMAC's private placement of 50 million DM of five-year notes bearing a coupon of 6 1/4 percent.

There are 12 issues scheduled to be offered through mid-May and the first is 300 million DM for the World Bank. The eight-year issue is priced at par bearing a coupon of 7 1/4 percent. This week, Hydro-

Quebec, Sweden and Mt. Isa Mines will tap the market. The mood, however, is "lousy," bankers admit, with investors restrained by the renewed weakness of the market.

Small issues that failed to generate any enthusiasm were made by the Council of Europe (€50 million for eight years at 11 1/4 percent), Canadian Imperial Bank of Commerce (60 million Canadian dollars for five years at 12 1/4 percent) and Nippon Credit Bank (50 million ECU for seven years at 11 percent).

In the equity-linked market, Ajinomoto again showed the tremendous appetite for convertible paper, in contrast to the dull reception given to issues bearing warrants to buy stock.

The warrant issues are almost two deals in one: a low coupon discount bond and a warrant to buy stock. While the discount bonds appeal to a certain audience, the warrants do not because when stripped from the bond they all carry conversion premiums of more than 20 percent.

Convertibles, by contrast, are deemed to be an attractive buy, and Ajinomoto last week not only increased its offering from a planned \$80 million to \$100 million but also cut the indicated coupon to 3 percent, matching the low set only a month ago by Fujitsu. The Ajinomoto paper was quoted on a when-issued basis at a premium of 104 1/4 before the increase and coupon cut was announced.

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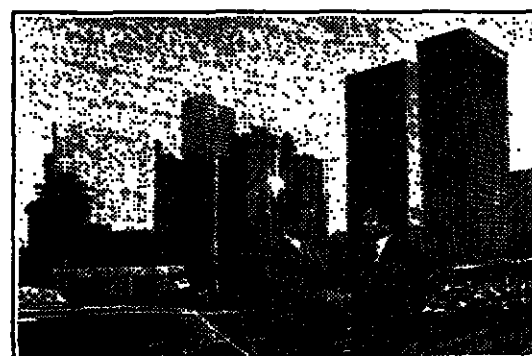
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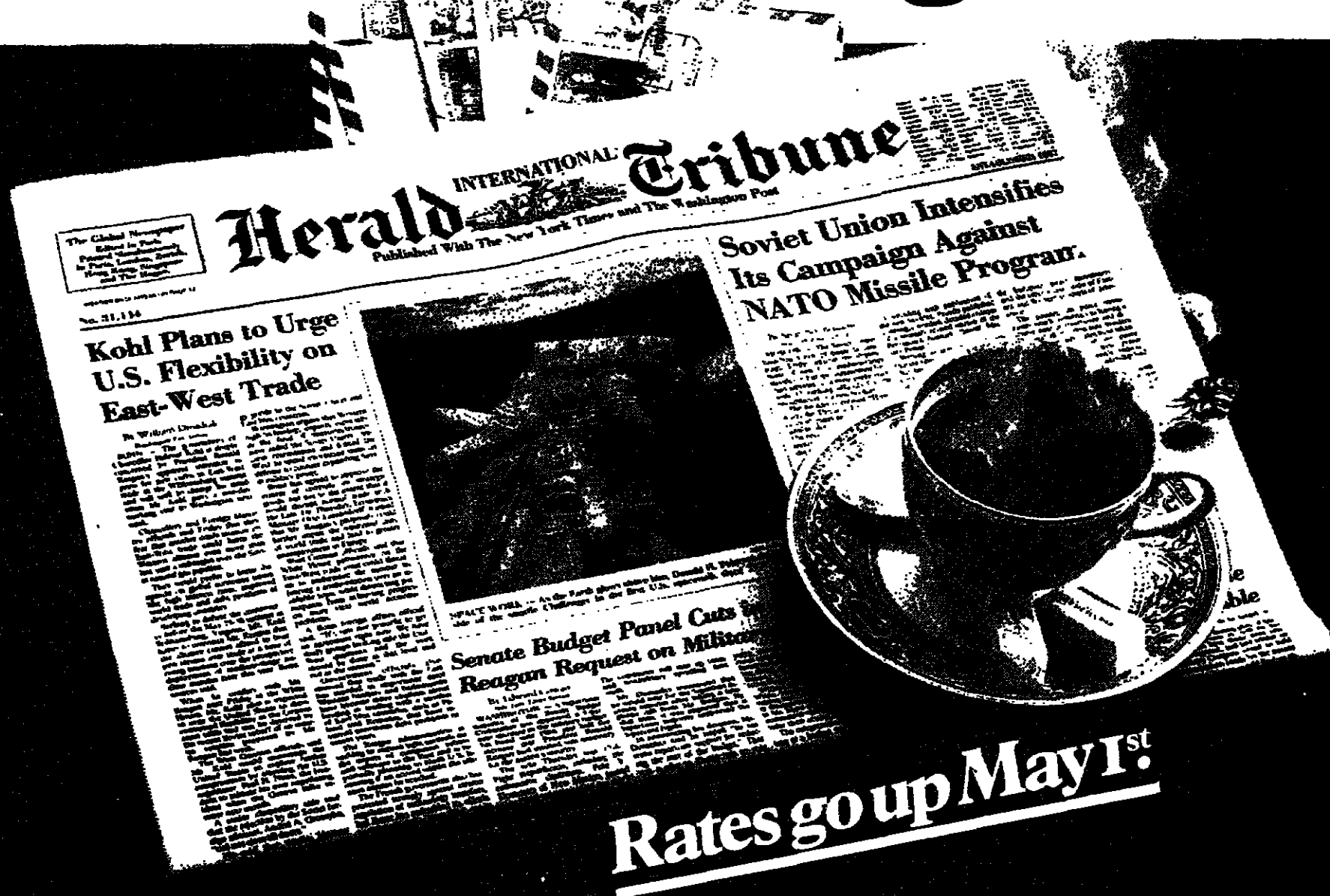
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NEW YORK (AP)—Weekly Over-the-Counter stock prices... (Table with multiple columns for stock names, prices, and changes)

Over-the-Counter

Table with multiple columns for stock names, prices, and changes. Includes sub-sections like 'Selling in 100s', 'Selling in 100s', etc.

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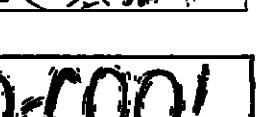
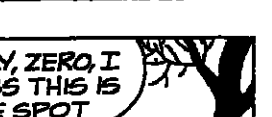












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## SPORTS

## Morris Pitches No-Hitter as Tigers Beat White Sox

Compiled by Our Staff From Dispatches  
CHICAGO — Jack Morris overcame occasional wildness and went on to pitch a no-hitter Saturday as the Detroit Tigers defeated the Chicago White Sox 4-0.

Morris, a 28-year-old right-hander, walked six — including the

## BASEBALL ROUNDUP

first three batters in the fourth inning — and struck out eight. In giving mainly on his curveball, he raised his record to 2-0 as the Tigers won their fourth without a loss or their best start since 1966.

The season's first no-hitter was first for a Detroit pitcher since Jim Banning shakkled Boston on July 20, 1958. It was only the fifth in Detroit history. Milt Wilcox came within one out of pitching a

perfect game for the Tigers against Chicago last April 15.

Morris tied the record for the earliest date for a major-league no-hitter, Ken Forsch, then of Houston, had one on April 7, 1979, against Atlanta. It was also the first no-hitter in Comiskey Park since Joe Horlen pitched one against Detroit on Sept. 10, 1967.

Except for good plays by right fielder Kirk Gibson and first baseman Dave Bergman, a late defensive replacement, all the plays behind Morris were routine.

Gibson raced back to the wall to make a fine catch of a first-inning drive by Rudy Law. In the seventh, Morris issued his fifth walk of the game, to Greg Luzinski. After Ron Kittle fled out, Tom Paciorek hit a line drive that Bergman picked off with a one-handed stab.

An inning later, Bergman snared pinch-hitter Jerry Hairston's shot behind first and threw to Morris covering the base.

Morris, a 20-game winner for the Tigers last year, retired the first two batters. But suddenly his control deserted him. In the fourth, after going to a 3-2 count, he walked Law — and then Carlton Fisk and Harold Baines.

But when Luzinski hit a comebacker, Morris threw home to force Law and catcher Lance Parrish completed the double play to first. Morris struck out Kittle to end the inning.

In the ninth, Morris locked things up quickly. He got Fisk on a first-pitch tap to Bergman. Morris then knocked down a smash by Baines and threw to first for the second out. Luzinski walked on a 3-

2 pitch but Morris then struck out Kittle on a curveball.

Detroit made most of its four hits off Floyd Bannister. Parrish walked with nobody out in the second and Chet Lemon then hit a home run into the left-field seats. The other two scores came in the fifth. Lemon and Gibson led off with consecutive doubles; Gibson was sacrificed to third and scored on a fielder's-choice grounder by Lou Whitaker.

Morris, a product of the Detroit farm system, has a seven-year record of 88-64. He was picked fifth in the 1976 draft from Brigham Young University.

"I'm not a superstition guy," he said after the game. "I've seen so much of it in baseball that I just don't believe in it. The guys on the bench were quiet so I went over to Roger (pitching coach Roger Craig) and said in a cocky way after the eighth that I was going to do it."

Remarkably, Bergman, who provided some of the luck: "You go out and dive for balls when a guy has a no-hitter. You do more than you are capable of doing."

## Twins 13, Orioles 4

In Minneapolis, Tim Lincecum and Tim Lincecum each hit two-run homers and Lenny Fazio hit one with the bases empty and batted in three runs to lead a 16-hit attack that carried Minnesota to a 13-4 rout of Baltimore. John Butcher, acquired from Texas in the off-season, gave up six hits through eight innings for the victory. Wayne Gross and Todd Cruz hit two-run home runs for the Orioles.

## Rangers 8, Yankees 4

In Arlington, Texas, Wayne Tolleson had three hits, including a three-run double, and Pete O'Brien hit a three-run homer to lift Texas

to an 8-4 decision over New York in a game shortened to five innings by a thunderstorm. Rookie reliever Mike Mason, who worked two-thirds of an inning, was the winning pitcher.

## Red Sox 3, A's 0

In Oakland, California, Bruce Hurst pitched a four-hitter and Tony Armas hit a home run in Boston's 3-0 triumph over the A's. Hurst, who walked two and struck out six, gave up a bloop double to Mike Davis in the third, consecutive singles to Bruce Bochte and Davey Lopes in the sixth and a two-out single by Dave Kingman in the ninth. Mike Warren was the loser.

## Blue Jays 3, Angels 1

In Anaheim, California, Lloyd Moseby had a bases-empty homer and an RBI single to lead Toronto to a 3-1 victory over California. The Angels lost their fourth straight game and suffered another blow when starter Ken Forsch partially dislocated his right shoulder while making a play at first base in the eighth. Doctors estimate that Forsch will be out for at least three weeks.

## Mariners 3, Brewers 2

In Seattle, Barry Bonnell singled home Spike Owen with the decisive run in the seventh and the Mariners went on to win, 3-2, handing Milwaukee its fourth straight defeat. The worst start in Brewer history breaks the old mark of three, set by the original Milwaukee team, in 1970.

## Phillies 9, Reds 1

In the National League, in Cincinnati, Joe Lefebvre had four hits, including a two-run home run, and drove in five runs to lead Philadelphia to a 9-1 triumph over the Reds and help Jerry Kosman gain his first National League victory since 1978. Kosman, acquired during the winter from the Chicago White

Sox, struck out seven and walked three. Cincinnati has lost three straight games.

## Giants 11, Cardinals 0

In San Francisco, Johnnie LeMaster hit a three-run homer and Manny Trillo and Jeff Leonard added two-run shots as the Giants bombed St. Louis, 11-0. Jeff Robinson, making his first major-league start, pitched six scoreless innings as San Francisco won its first game of the year.

## Pirates 3, Dodgers 0

In Los Angeles, John Candelaria and Don Robinson combined on a nine-hitter and Dale Berra singled in two runs as Pittsburgh shut out the Dodgers, 3-0.

## Mets 3, Astros 2

In Houston, Darryl Strawberry hit his second home run of the season and rookie Dwight Gooden pitched five strong innings in his major-league debut to pace New York's 3-2 decision over the Astros. Gooden, a 19-year-old right-hander, allowed one run on three hits while walking two and striking out five.

## Padres 7, Cubs 6

In San Diego, Kevin McReynolds drove in four runs, two of them capping a three-run fifth, as the Padres defeated Chicago, 7-6, to remain unbeaten. McReynolds, who went 3-for-4, delivered the tying and go-ahead runs in the fifth with a double off Porfi Altamirano.

## Expos 7, Braves 2

In Atlanta, David Palmer — making his first major-league appearance since 1982 — hit a two-run homer and combined with two relievers for a six-hitter as Montreal beat the Braves, 7-2. Palmer's last major-league victory came on Aug. 8, 1982, against St. Louis. He underwent arm surgery later that year and missed the 1983 season.

(AP, UPI)



Jack Morris in the embrace of Tiger catcher Lance Parrish. "I said in a cocky way after the eighth that I was going to do it."



Washington's Doug Jarvis sent flyer Brad Marsh winging over teammate Ray Allison, but Philadelphia was grounded for good, losing Saturday's game — and the playoff series (3-0).

## Canadiens Sweep; Rangers Win

Compiled by Our Staff From Dispatches  
MONTREAL — Bob Gainey ored on a breakthrough and set up Mario Tremblay's second goal 11 seconds later to power the Montreal Canadiens to their first playoff victory in four years with a 5-triumph over the Boston Bruins re Saturday night.

Meanwhile, the four-time defending champion New York Is-

## NHL PLAYOFFS

landers were pushed to brink of elimination by the New York Islanders — and Quebec, Washington and Edmonton completed re-game sweeps to advance to a playoff second round. The Canadiens, fourth in the Adams Division during the regular season, completed their sweep of first-place Bruins in the best-of-five series and moved into an Quebec division final against the Nordiques.

Rookie goaltender Steve Penney, who had played only four NHL games entering the series, again proved solid behind a hard-checking wall led by defenseman Larry Robinson.

Penney had to turn back only 19 shots as Boston finished the series in a total of only two goals.

The Bruins failed for the 11th straight time to win a playoff game at the Forum.

With Montreal holding a 2-0 lead in the second period, Gainey, 11-year veteran, picked up Guy Robitaille's clearing pass inside own blue line and broke free on the left wing before sliding puck between the pads of fallen goalie Pete Peters at 8:55. It was Gainey's first playoff goal in four years.

The Canadian captain then set Tremblay on a 2-on-1 break that the game all but out of reach. Mike McPhee's backer down Peters' left shoulder added to the scoring at 13:55 of second period.

The Canadiens, picking up where they left off in Boston, at ahead 46 seconds into the third when right wing Tremblay scored 16 seconds into Thursday's Game 2 — took a risk pass from Craig Ludwig at the blue line and skated in alone Peters.

His low, 35-foot scorcher beat Peters on the glove side. Pierre Mondou, who missed the game of the series with an injury, raised the lead to 2-0 at 3:21 of first period.

It's hard to understand why as have changed for us so quickly," Gainey said, "but I think have put together three good games in a row, probably our best and against a very good team."

Tremblay, who ended the series in three goals, said his first goal game was the decisive blow. "I think it got them flustered because it came so fast," he said.

Before the game we were so scared we didn't want to give them the opportunity to win and get back in series."

Boston Coach Gerry Cheevers med it up tersely. "It's a great disappointment," he said. "We soundly beaten."

Nordiques 4, Sabres 1  
Quebec, Jean-Francois Sauve Andre Savard combined for goals and two assists against

their former teammates, helping the Nordiques down Buffalo, 4-1, and into their division final berth. It will be Quebec's second Stanley Cup quarterfinal appearance in the club's five years in the league.

## Rangers 7, Islanders 2

In New York, Pierre Larouche scored two goals and Mark Pavelich added a goal and two assists as the Rangers thumped the Islanders, 7-2, for a 2-1 edge in a Patrick Division semifinal. The Islanders, who have won the Stanley Cup four straight years, faced elimination Sunday night at Madison Square Garden.

"We've been in this situation before," said the losing coach, Al Arbour, after Saturday's game. "There is a lot of hockey left in us."

## Capitals 5, Flyers 1

In Philadelphia, Glen Currie and Craig Laughlin had goals in a tight-fought first period and goalie Al Jensen was brilliant throughout as Washington beat the Flyers, 5-1, to gain a Patrick Division final berth against the Ranger-Islander winner.

Gary Sampson, Dave Christian and Gaetan Duchesne tallied in the second period as Edmonton downed the Jets, 4-1, for a sweep of their Smythe Division semifinal.

The victory was the 15th straight for the Oilers over Winnipeg — including three straight in last year's division semifinals.

Jari Kurri put Edmonton ahead, 1-0, with his fourth goal of the playoffs at 15:55 of the first period. Rookie Andrew McBain tied the game at 11:29 of the second, but Semenko gave the Oilers the lead for good at 18:56.

Mark Messier and Charlie Huddy added three-period goals for the Oilers.

## Canucks 7, Flames 0

In Vancouver, British Columbia, Doug Halward scored three goals and Cam Neely had two as the Canucks pulled to within 2-1 in the other Smythe semifinal with a 7-1 rout of Calgary.

Halward became the first Vancouver defenseman to score a hat trick in regular or post-season play as the Canucks set a club record for most goals in a playoff game (their previous best was six goals against Chicago in 1982).

North Stars 4, Black Hawks 1  
In Chicago, Lars Lindgren and Keith Acton scored first-period goals to start Minnesota on its way to a 4-1 victory over the Black Hawks and a 2-1 lead in their Norris Division series.

The North Stars made it 3-0 on a second-period mistake by Dave Feneaster. Goaltender Murray Bannerman had chased down a loose puck behind the net and passed to Feneaster, but when the defenseman skated in front of the net, Minnesota's Brent Ashton poked Feneaster's stick and the puck went into the unprotected net at 5:38.

## Blues 4, Red Wings 3

In Detroit, Mark Reeds scored at 17:07 of the second overtime to give St. Louis a 4-3 victory and a 2-1 advantage in its Norris semifinal series with the Red Wings. Left wing Jorgen Pettersson broke through between two Detroit defenses; Pettersson was taken out of the play but slid into goaltender Greg Stefan. Reeds picked up the puck and lazily put home a 10-footer — into an empty net — that ended the 4-hour, 11-minute marathon.

## ATLANTIC CITY, New Jersey

Undeclared challenger Richie Sandoval won the World Boxing Association bantamweight title Saturday, ending Jeff Chandler's three-and-a-half-year reign with a vicious flurry of punches and a technical knockout at 1:20 of the 15th round.

Sandoval, the WBA's second-ranked bantamweight, used an aggressive, hard-punching style and knocked down Chandler for the first time of his career in the 11th round.

Referee Arthur Mercante stepped in to halt the fight after Sandoval landed nine unanswered punches in the final round. Sandoval began the flurry with a left that snapped back Chandler's head.

Sandoval, 23, the 1980 U.S.

## Bantamweight Sandoval Dethrones Chandler on TKO

Compiled by Our Staff From Dispatches  
ATLANTIC CITY, New Jersey — Undeclared challenger Richie Sandoval won the World Boxing Association bantamweight title Saturday, ending Jeff Chandler's three-and-a-half-year reign with a vicious flurry of punches and a technical knockout at 1:20 of the 15th round.

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Chandler, 27, was making his 10th title defense. He fell to 33-2, with 18 knockouts.

Sandoval set the pace quickly with a left jab to the stomach, a punch he would land frequently. Twice he connected with first-round left hooks that drove Chandler to the ropes — where he absorbed hooks and uppercuts.

Chandler never got untracked against an opponent who slipped punches and countered with combinations.

Olympic Trials champion at 112 pounds, looked like a winner from the outset. He backed Chandler into the ropes in the first round and pelted him with combinations to the head and body.

Sandoval continued on the attack throughout as he raised his record to 23-0 with 15 knockouts.

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## Friday and Saturday Baseball Line Scores

## FRIDAY'S RESULTS

## AMERICAN LEAGUE

Detroit 300 000 000-3 5 0  
Chicago 100 100 010-2 4 0

Wilcox, Hernandez (8) and Parrish; Dobson, Aspinwall (7), R. Reed (9) and Fisk. W-Williams, 1-0. L-Dobson, 0-1.

Cleveland 100 000 001-2 9 1  
Kansas City 000 000 000-0 6 0

Bruegger, Foster (8) and Hooten; Gubicz, Hulsmann (7) and Slaughter. W-Bruegger, 1-0. L-Gubicz, 0-1.

Baltimore 000 001 011-4 10 0  
Seattle 000 000 000-7 7 1

Boddicker, T.Martinez (8), D.Martinez (8) and Demers; Smithson, Davis (8) and Reed, Lander (7). W-Smithson, 1-0. L-Boddicker, 0-1. HR-Bodmer, Ford (1). Minnesota, Herk (1), Brunson (1).

New York 000 010 128-4 22 2  
Texas 000 000 000-7 7 1

Montefusco, Murray (7), Howell (8) and Cerone, Wengert (8); Tamm, Henke (7), Tubb (8) and Yost. W-Howell, 1-0. L-Murray, 0-1. HR-New York, Winfield (12). Texas, Bell (1), Wright (1).

000 000 010-1 2 0  
000 000 100-3 6 0

Boyd and Allenson, Gorman (8); Sorenson, Couffelt (8). W-Sorenson, 1-0. L-Boyd, 0-1.

California 011 000 000-5 8 1  
Alexander, Jackson (5), Key (4) and Whitl; Sorenson, Stites (12), LeCzar (14), Sanchez (8) and Boone. W-Jackson, 1-0. L-Sorenson, 0-1.

HR-Torres, Johnson (2). California, Rea (1), Lynn (1).

000 010 000-3 10 0  
000 000 000-2 11 0

Hooten, Porter (7), Augustine (7) and Sandberg, Young, Beard (4), and Vasey, Scholtes (8). W-Porter, 1-0. L-Augustine, 0-1.

HR-New York, Winfield (12). Texas, Bell (1), Wright (1).

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